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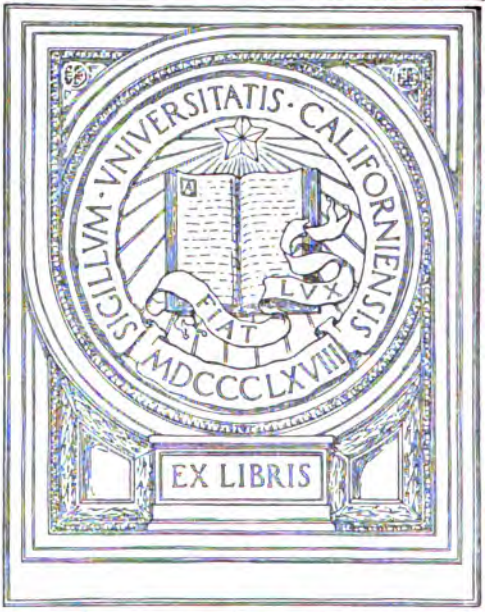
IN MEMORIAM



JESSICA PEIXOTTO
1864 - 1941

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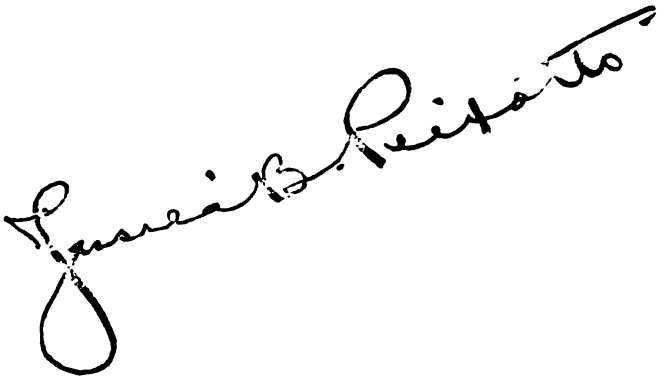

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THE MEANING OF NATIONAL GUILDS

BY
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Editor of the Church Socialist

AND

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New York
THE MACMILLAN COMPANY
1918

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FIRST
EDITION
1918

IN MEMORIAM
JESSICA PEIROTTO.

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"Labour should take part in the affairs of the community as partners rather than as servants."—From the *Summary of the Reports of the Commission of Enquiry into Industrial Unrest*, 1917.

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TO

THOSE WHO,

HAVING NO "STAKE IN THE COUNTRY,"

YET FOUGHT FOR ITS HONOUR ABROAD,

IN HOPE THAT THEY

MAY ONE DAY FIGHT FOR THEIR OWN AT HOME,

THIS BOOK IS DEDICATED

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INTRODUCTION

THE one word which has bitten into the minds of the masses of the people during the War, as far as social and economic relations are concerned, is *Profiteering*. The word has become popular, but with its meaning curiously twisted. It has come to mean the private extortion from the community, under the present terrible circumstances, of amounts exceeding what is regarded as "fair." But *Profiteering* really sums up the whole system under which such social functions as production and distribution are conducted by private individuals and enterprises seeking to make profits without regard to the consequences. Indeed, the word simply unveils the truth which was previously hidden under the pseudo-scientific and abstract term, "Capitalism," execrated by reformers and Socialists. *Profiteering* is "Capitalism" without its mask, and with its deformities revealed.

Before 1914 men endured this structure of economic privateering (whence the word "profiteering"[1]) with all its horrors and absurdities, because they were told—by the capitalists and their spokesmen—that it was the only system that could be depended upon to withstand the strains and shocks both of peace and war. Therefore, the legend ran, if you interfere with Capitalism, you are rendering a civilised society unsafe. Facts have given the lie

[1] It was coined several years before the War by the editor of the *New Age*.

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to the capitalist claims. At the first alarm of war, Capitalism trembled; and its stunted spires were brought down in ruins by the first shot that was fired.

Exposed to the stress of war, private Capitalism has failed equally in production, distribution, and finance. The State has had to reorganise production as the only means of conducting it with any degree of efficiency; although, in as far as production has been rebuilt on the lines of restricted Capitalism, it is still inefficient and must still fail. The inadequacy of individual command of the means of distribution was exemplified when the State found it necessary to systematise and "control" the whole machinery of transport before even our first little Expeditionary Force could be mobilised and despatched. In the world of finance—the capitalists' chosen kingdom—the failure was no less complete. The State had to guarantee the financiers many millions of pounds to cover the foreign bills of exchange accepted by them, before those great men would consent to carry on at all.

Since, then, its unqualified failure at the very outbreak of the War, Capital has gradually been brought—at a ruinous cost, admittedly—under the "control" of our only slightly more public-spirited State officials. Had not this been done, the conduct of the War would have been not only more incompetent and more unsuccessful than it has been, but we should have found it impossible to face the enemy at all.

But it is in regard to Labour that the War has shown most clearly the rottenness of Capitalism.

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We have only to compare the wonderful record of the workers in the trenches with the chaos and confusion in the workshops at home to see that something is hopelessly wrong in industry—not with the men, but with the methods. Labour, after being consistently treated as nothing more than a "commodity," a "raw material," or "one of the factors of production," was suddenly assured that it was the backbone of the nation, that our common fate depended upon its efforts, and that only in the workshops could victory be won. True as it was, this admission was made only partially and always grudgingly. Indeed, save for high-flown appeals to the workers to be worthy of the trust that had never been reposed in them, nothing was done to give effect to so vital a discovery. As a consequence, Labour, after a short period of floundering in the realm of national idealism, was again dragged down by the brute necessity of the capitalist workshop and the brutish hypotheses of the capitalist ideology to its old level of mere opportunism.

Thus, in the fourth year of the War, we have confusion almost as bad as ever; nor is there any further hope of improvement along the lines of the outworn and incompetent structure of Capitalism. Every device, possible and impossible, to prop up the ruins of the old creed has been tried and has failed. Our only hope, as a nation, lies in the determination to build up a new and better structure of society. The War has shown—even to those who ignored the fact before—that it is the industrial structure of the nation upon which its people must at last base their common efforts. It is with this aspect of society

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that our book deals. Our purpose is to show that the industrial needs of modern England cannot be satisfied, with either justice or efficiency, unless the connection with Capitalism is cut deliberately and for ever. In its place, there is put forward the programme of National Guilds—not, however, as a Utopian panacea, but as a practical solution of the industrial problem.

The idea of National Guilds is essentially constructive. It is so at the expense of the assumptions which have, for the most part, been held alike by those who accepted the present industrial system and by those who sought to reform it. It is a challenge both to the capitalist and to the Collectivist. It denies that man's labour can justly be hired at a " standard rate," however high ; it denies that his industrial life must be regulated by superior authority, from above or from outside ; and it denies that society can be saved, or the worker set free, by the initiative in industrial affairs being transferred to the State. The establishment of National Guilds involves the abolition of the wage-system, the attainment of self-government in industry, and the modification of State sovereignty. There is nothing novel about these ideas ; already the phrases by which they are expressed are freezing into clichés. But there is something novel in their being accepted as the essential standard by which the value of all social change is tested. Doubtless many social reformers of the last century would have been brought to agree that these ideals were quite desirable, when reforms had cleared the way for them. But such a condition was really fatal, since

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the reforms contemplated did not clear the way for the realisation of these ideals; indeed, they postponed them. It was only because they postponed the ideals that the reforms were conceded. The "practical man" in the progressive ranks, in the thirty years between 1880 and 1910, no doubt looked on the great truths upon which this book will throughout insist as mere truisms. Yet a truism is but a truth taken for granted; in our evil society we can no more afford to take truth for granted than a diseased person can afford to take health for granted. There is no other way of achieving truth and freedom in society than by the realisation of them; we can abolish the wage-system only by weakening it; we can establish the Guild only by strengthening and releasing the Trade Union of to-day. As for the State, let us bid the worker not expect it to pull all his chestnuts out of the fire; it will be better employed in rescuing its own from the plutocracy who have usurped so many of its functions, while unloading on Government shoulders so many of their own burdens.

The Guild idea, then, is not in any sensational sense a new thing. It derives from many strains of pure and disinterested social thinking; but we believe that its sponsors have formulated the essentials of the industrial problem more clearly and completely than any other group to-day. It would be interesting, if space allowed, to trace the respective shares of the various influences which have contributed to the formulation of National Guild principles and ideas, and to disentangle them. We should find the craftsmen's challenge and the

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blazing democracy of William Morris; the warning of Mr. Belloc against the huge shadow of the Servile State and, perhaps, something also of his claim for the individual's control over property; the insistence of Mr. Penty on the perils of industrialism and its large-scale organisation, and his recovery and bequest to us of the significant and unique word "guild." We should find something of French Syndicalism, with its championship of the producer; something of American Industrial Unionism, with its clear vision of the need for industrial organisation; and something of Marxian Socialism, with its unsparing analysis of the wage-system by which Capitalism exalts itself and enslaves the mass of men. But it is, above all, the changed direction of the English Socialist and Trade Unionist movements—changed as a result of their own failures and the universal failure of the War—that makes possible the putting into practice of the Guild idea. "The English Trade Unions are the hope of the world."

In the narrower and stricter sense of the term, the propaganda of National Guilds proceeds from two origins—Mr. A. R. Orage and his colleagues of the *New Age*, and Mr. G. D. H. Cole and his colleagues of the National Guilds League. Nor are these sources necessarily distinct, since Mr. S. G. Hobson, author of the well-known series of articles in the *New Age* in which the principles and proposals of National Guilds were first formulated, is a prominent member of the National Guilds League, while Mr. Cole and other members of the League have been constant contributors to the *New Age*. The debt of National Guildsmen (as the advocates of the

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National Guild system are called) to the *New Age* is incalculable, since not only did Guild principles first take shape in its columns, but they have since been debated and contested there with as much impartiality as ability, and by no one more than by the editor. But even so, we may doubt whether the propaganda of National Guilds would ever have become widely understood by the workers, whom it most concerns, had it not been for the work of Mr. Cole in translating it into terms of Trade Unionism and applying it to the crucial problems of the industrial movement. For ourselves, we acknowledge our debt alike to the *New Age*, Mr. Cole's books, and the publications of the National Guilds League. The extent of our debt will be obvious from a glance at the footnotes and references which suggest (what is, indeed, the fact) that this book is as much a work of editorship as of authorship. Our object is to place before the reader the outlines of what is in reality a very vast subject; and if, in process of doing so, our own idiosyncrasies and defects seem to hinder rather than to assist the argument, we hope he will go to those originals from which we ourselves have learnt so large a proportion of what we here set down.

In conclusion, we would insist that the Guild idea is an idea rather than a creed, and an idea the implications of which are by no means exhausted. Those who have so far been most prominently associated with its formulation are by no means agreed upon the details of its application, as the reader will see from some of the controversies summarised in the ninth chapter of this book (pp. 339–444); nor do they attach

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equal importance to the various strains of thought which have contributed to produce it. They would all, however, agree in repudiating any intention or desire to force a rigid system upon a passive people. No true democracy will accept a Utopia which it does not itself create. The essentials of the Guild idea are the recovery of initiative by the ordinary worker, his release from bondage to the base purposes of profit, and his achievement of complete and responsible industrial democracy. By such a transformation alone can society be saved; to make clearer the way to it is the purpose of all that follows here.

We wish to acknowledge our debt to Mr. A. J. Penty, Mr. E. E. Beare, and Mr. J. MacCallum for help afforded in the fourth chapter, and to Mr. Rowland Kenney for many valuable suggestions.

M. B. R.
C. E. B.

April, 1918.

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CHAPTER I

THE GUILD IDEA

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What is a "National Guild"? Examples: a National Mining Guild; a National Transport Guild. Self-government and national responsibility.

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I

THE GUILD IDEA

A NATIONAL GUILD would be a democratically self-governing association which, consisting of all the workers engaged in any main industry, would be responsible for carrying it on in conjunction with the State.

For example, a National Mining Guild would be composed of every worker of all grades—administrative, technical, skilled and unskilled, on the surface and underground—actively engaged in mining. As a democratic association, its members would be associated on an equal basis, and not in the undemocratic industrial relationship of employers and employees. As a self-governing body, the National Mining Guild would have full powers, without outside interference, over all industrial matters affecting its members, over the administration of all the mines in the country, and over everything that concerned methods and conditions of mining. Ownership of the mines and of the plant and other forms of capital used in mining would be vested in the State, but they would be at the disposal of the Mining Guild to be worked in the public interest.

Similarly, in the case of, say, a National Transport Guild, the whole national machinery of transport (railways, shipping, vehicles, canals, etc.) would be the property of the community, but the monopoly of its working would be exercised by the Guild.

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In every main industry, then, the workers, organised in a self-governing National Guild, would have the monopoly and control of its working in partnership with the State, which would be the owner of the means of production. The aim of National Guild service is the right conduct of industry in the interests of the community. For this every Guildsman would be responsible to his Guild, and every Guild to the community through the other Guilds and the State.

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CHAPTER II

THE FAILURE OF PROGRESSIVISM

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The myth of "Progress." A gospel of quietism. Effect of "Evolution" on the Socialist movement. The Optimist Reformer and the Fatalist Marxian. Their failure after thirty years. The cant of the "comrade." The fraud of Fabianism. "A discreetly regulated freedom." Emancipation by capture (i.) of the State by the bureaucrat; (ii.) of the Trade Unions by the politician. The capitulation of Collectivism (i.) to State Absolutism; (ii.) to the Wage-system.

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II

THE FAILURE OF PROGRESSIVISM

"MEN are born for Freedom, but everywhere we find they are in chains." With these words Rousseau opened his *Social Contract* a hundred and fifty years ago. He was sending forth a message which was to change the Europe of his age. To-day they have sunk to be a truism; yet the distinguishing mark of a truism is that it is true, and this sentence is as true to-day as when it was penned. But it is true in a new and yet more perilous sense, for the chains of which Rousseau was thinking were the chains of the past; the chains which fetter men to-day are rather the chains of the future. The people have struck off the chains of privilege to find themselves loaded with the chains of "Progress." The twentieth century is coming to appreciate the barrenness of that achievement of political liberty on which its predecessor so greatly prided itself. For all their "citizenship," the masses find themselves still in the toils of industrial slavery, free only to choose their masters. The substance of freedom has yet to be won, and that victory will not be achieved till the ordinary man demands to take his economic destiny into his own hands and thenceforward to determine it in his own way. In that direction alone lies true progress; everything else is only Progressivism.

Syndicalism has introduced us to the idea of the

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"Social Myth" as a stimulus to human action, and has linked its doctrines to M. Bergson's "Creative Evolution." But the nineteenth century has bequeathed to us a social myth and a doctrine of evolution fatal to the exercise of man's free-will and fraught with the greatest perils to society. This is the myth of "Progress," parent of that shallow social optimism of the Victorian Age which its poets reflected and to which even its clichés bore witness. What Browning felt when he declared, "God's in His heaven; all's right with the world," and Tennyson when he pictured "Freedom slowly broadening down from precedent to precedent," was precisely what the ordinary man meant with his everyday phrases, "All's for the best" and "Things will come right in the end." A spurious scientific basis was added to this complacent sentimentalism by the muddle-headed creed of "Evolution," with its protoplasm at one end and its "one far-off divine event" at the other. Text-books displayed the "History of England" as a study in the ascent of man from King Alfred to Mr. Gladstone; and "Progress" was epitomised by the fact that while Britons were painting themselves blue on the first page, they were painting the map red on the last one. The final paragraph generally alluded to the commercial prosperity of the Empire (without explaining very exactly the degree to which the average citizen shared in it), and, if of sufficiently recent date, would contrive to suggest that the edifice of British freedom, firmly established on Magna Charta, had been fittingly crowned by the Insurance Act.

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We are not concerned here with the details of that ridiculous superstition still largely taught in our schools as "English History," which it is very necessary to expose if Englishmen are ever to learn of the land that has been stolen from them and the liberties that they have lost. It has only been mentioned here to illustrate how everything has been twisted to make it fit this paralysing dogma of "Progress," which has been regarded almost fatalistically as an inevitable tendency to be assisted rather than as a quest to be pursued against obstacles or a victory to be won. It has resulted in a bland contempt for the past, coupled with a fatuous optimism as to man's achievements in some undated hereafter. A blind trust in what "Progress" will do for the human race involves an abdication of free-will which paralyses man's whole sense of capacity and responsibility, and drives him back to sheer fatalism. Moreover, "Progress," strictly interpreted, means simply "going on," but the question arises as to the whither and the whence; we may, indeed, go on from strength to strength, but only if we are strong to begin with. A football makes progress, but there are in every match two opinions as to what progress is, and those opinions depend on the fact that there is a goal at each end. Conceive society as the football, with the Servile State as the goal at one end of the ground and a Free State at the other, and it is easy to see that what may appear as progress to the capitalist centre-forward may strike the opposing goal-keeper in quite another light. "Progress" in the sense of "going on" must not be confounded with

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"Progress" in the sense of "getting better." Nor has material progress, the advance of knowledge and invention, any necessary connection with the spiritual progress of human society. Every fresh advance offers, of course, a widening of the sphere of man's opportunities; but it provides no guarantee that he will make a good use of them. An opportunity for good is also an opportunity for evil, and the horrors of the present War have shown the way in which man may apply the discoveries of science to the uses of destruction, and do so, moreover, in the name of "Progress"! "The world has progressed and is progressing," said an evening paper recently, commenting on the latest developments of armaments. "Now, as always, you can only kill a man once, but how many different methods both of killing and of defence have we not fashioned since Hannibal crossed the Alps?" Such infatuation with the mere machinery of destruction is not far from insanity. The latest goal of evolution, it seems, must be summed up in a new motto: "Krupp's in his Essen; all's right with the world!"

It is to be hoped, however, that the War with its crash of catastrophe will have shattered the walls of superstition and complacency which have hemmed us in so long and formed that prison of "Progress" into which the nineteenth century had ushered us so successfully. For until those walls are down the workers will never waken to the perils with which they are threatened or the task which lies before them if a way of escape from these is to be found. As long as the doctrine of a gradual and beneficent evolution holds sway over the minds of the masses

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the capitalist can pose before them as the last word in human progress, and the initiative which he exercises can be represented as the workings of an inscrutable providence. The wage-slave, taught that he in common with the rest of creation was moving towards the "one far-off divine event," sighed only to think how far off it was, and bowed his head in that most abject of social capitulations, the "surrender to the inevitable." The gospel of "Progress" is a gospel of quietism, and greatly have the forces of tyranny and avarice profited therefrom. It has stolen from the workers, and from that movement which they have raised as a challenge to the machine of Power and Gain that we know as Capitalism, the very quality which alone could supply the inspiration for their crusade—the quality of faith. It is faith alone which can move the mountain of the wage-system. To-day the apathy of the worker is largely due to the fact that he does not believe this can be done, and, in default of it, he leaves a handful of his fellows with the taste or the ability for agitation to struggle more or less helplessly for reforms which may alleviate his lot.

Nowhere has this delusion of "Progress" proved more disastrous than in the Socialist movement. For all their differences, the Reformist and the Marxian have shared in common the view that the Socialist State was a process to be evolved rather than a society to be built. Whilst the social crisis of our day demanded a faith compact of vision and courage, the Socialists, Reformist and Marxian alike, fell back upon the superstitions of "social philosophy," and took refuge, the one in Optimism, the

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other in Fatalism—creeds which involve an abdication of human will. Their devotees are still amongst us. Both lack the resolution to oppose themselves to "the trend of things"; but while the Fatalist steels himself to "grin and bear it," the Optimist is content merely to grin. He proclaims a silver lining to every cloud of Capitalism, even while his brothers are drowning in the floods. The Optimist improves upon the schoolboy's definition of faith by believing in what he knows ought *not* to be true; and, carefully closing his eyes to the true facts of our social life, he declares himself to be "looking on the bright side." Such is the "reformer," making a virtue of credulity, and inviting Labour to set out on the road to industrial peace on the back of the tiger of profiteering. But the Fatalist, though he makes a show of resolution, plays a rôle that is equally spiritless. While the Optimist strikes out vigorously with the stream, the Fatalist floats resignedly down it. He is represented in economics by the Marxian determinist, for whom industrialism must always be worse before it can be better, and who would extend a welcome even to the National Trusts with which we are threatened, because it would be "unscientific" to oppose them.[1] The revolution he preaches is always just beyond the horizon of the present, and the victories of the class-war past and over or indefinitely postponed. "Jam yesterday and jam to-morrow, but never jam to-day."

[1] "The Marxian school also differs from every previous Socialist school in the comparative ease with which it has eschewed every consideration of justice and fraternity, which always played such an important rôle in French Socialism. It is interested not in the ideal, but in the actual; not in what ought to be, but what is likely to be."—Gide and Rist's *Economic Doctrines*.

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The acceptance by Socialists of this social myth of an inevitable progress provides a clue to the failure of the Socialist movement amongst us after a propaganda of unparalleled enthusiasm and thoroughness lasting for a period of thirty years. That the propaganda of Socialism has failed in its essential objects scarcely admits of doubt. It has failed to effect the only change in our social system which is of any fundamental importance—an improvement in the status of the workers. Socialism is no longer identified with the repudiation of wage-slavery; indeed, measures promoted in its name have rather confirmed than undermined the wage-system. It has failed to inspire the mass of workers with either a hatred of their chains or a love of the ideals which it has preached. It has failed to alarm any but the stupidest among their masters, many of whom, indeed, have learnt its phrases and profess its creed. Its exponents, whether they advocated a doctrinaire economic Determinism or a bureaucratic Collectivism, have been perplexed by the apathy of the workers, and concluded that these must have been too stupid to understand the doctrines they expounded. Let the workers but be educated to understand Socialism, they argued, and they must needs embrace it; if we go on saying the same thing long enough, we shall convert them in the end. And they have gone on—for thirty years. But though it was a consolation flattering to themselves to attribute their failure to the density of their audiences, the Socialists were wrong in thinking that the workers had altogether failed to understand their message. They may have failed to take in all

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the subtleties of the "economic interpretation of history," or to appreciate all the arguments by which Fabian Socialism commended itself to the governing classes and the wage-earner at the same time, but they were not too stupid to understand the fate to which under State Socialism they themselves would be condemned. The proletariat were not the fools that their lecturers have taken them for. The worker has seen through the propaganda of Collectivism; he has considered its proposals, and discarded them. His dislike of Socialism is founded on a hatred of claptrap and a suspicion of servitude. If we are to rally the worker to the cause of his own emancipation, we shall do well to study the past of Socialism, and learn from its failure.

The word "Socialism" has become by this time a term of great vagueness, and it has been adopted by people of very conflicting ideals. Obviously it would not be fair to include all of them in charges which would only be valid against a section. The idea of National Guilds is, for instance, in a sense, only a development of Socialist theory, and it made its first appearance under the title of "Guild Socialism."[1] The propaganda of Socialism in England, however, has been distinguished by certain broad characteristics, and it is with these that the term is still associated in the mind of the public. Every movement gets the policy it deserves, and the Socialist movement has not escaped the consequences of this universal truth. Beginning as an attempt to find a new basis for social life by calling in an external public authority to rescue mankind

[1] See below, chapter ix., pp. 344–346.

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from the consequences of industrial chaos and individual avarice, the movement emerged from the Utopian stage only to fall a victim to a false view of the State, extolling its omnipotence and preaching the need for capture of its machinery. The result was disastrous. Emancipation—it was implied, if not openly proclaimed—was not to proceed from the independence and vision of those who felt themselves enslaved; it was to be conceded by a public power which had to be cajoled and conciliated by the exhibition of sweet reasonableness and a "statesmanlike" moderation. The Socialist movement was stampeded by the Collectivists. It is they who have created the traditions of English Socialism, and it is against them chiefly that our accusations lie.

It is not against them only, however, that the charge must be laid of having presented Socialism rather as a "movement" for cranks than as a challenging appeal to all men of common honesty and a sane outlook on society. Socialism has become in the eyes of the ordinary man simply one of the "Causes"; the man at the street corner has appealed to everyone but the man in the street. The fundamental propositions of the Socialist creed —that, for the workers, production for profit means not only a captivity, but a swindle, and that "the social problem" created by Capitalism is not really a problem at all, but rather a crime—these plain challenges have become overlaid with sentimentalism, entangled with a dozen irrelevant fads, stripped of reality by becoming associated with mere catchwords, and presented in such a way as to appear to the vast majority a foolish and mechanical abstrac-

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tion, involving not the liberty and equality of all men, but only the victory of a clique. To the bourgeois cant of "citizenship" the Socialist has replied with the cant of the "comrade"; but the self-conscious "comrade," no less than the self-righteous "citizen," is at heart a snob. The British worker is not to be won by the artificialities of a smug vocabulary, or the fads and poses of Progressivism. The people of England "have not spoken yet," nor will they speak till those who really seek their emancipation appeal to them in a manner which will kindle their idealism without at the same time doing violence to their common sense.

The rigid Collectivists have, for the most part, avoided the pitfalls of sentimentalism, but only at the cost of eliminating idealism from their presentation of Socialism altogether and founding it explicitly upon a "business basis." Of such were the Fabians, who, according to their secretary and historian, based their Socialism "on that obvious evolution of society as we see it around us," and "proved that Socialism was but the next step in the development of society, rendered inevitable by the changes which followed from the industrial revolution of the eighteenth century."[1] Far from Fabian Socialism being a challenge to the prevailing creed of Capitalism, it "is in fact an interpretation of the spirit of the times." In short, the Fabians sought to make Capitalism a State monopoly; but the State interference which they demanded to cure poverty came naturally to be exercised over those

[1] The quotations here are from *The History of the Fabian Society* (published 1916), by E. R. Pease.

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persons whom poverty immediately concerns—that is, the poor. That most typical offspring of the marriage of Progressivism and Capitalism, the National Committee for the Prevention of Destitution, assumed a revolutionary tone, preaching "red ruin and the breaking up of Poor Laws," diagnosed destitution as a "disease," and then proposed to treat the destitute not as victims for whom justice must be secured, but as criminals fit only to be locked up in compounds. No wonder that, as Mr. Pease naïvely puts it, "people who would not dream of calling themselves Socialists . . . become enthusiastically interested in separate parts of its programme as soon as it has a programme." Hence also a Fabian Committee, with a title that would serve very well as an *alias* for the Society itself, set out to reassure the "many who regard Socialism as a menace to society" that there is really no harm in it for "the conscientious rich, with a compunction that no special pleading by armchair economists can allay," and that the poor, though not superficially interesting, might form the material of many most absorbing "social experiments." In short, that

> The world is so full of a number of plebs
> That I'm sure we should all be as happy as Webbs.

The spirit of Collectivism has been exactly expressed by one of its own writers: its ideal is "a discreetly regulated freedom." Discretion has always been the better part of Fabian valour; it would certainly prove to be the larger part of Fabian liberty. Indeed, it is not the liberty of the worker but his "efficiency" of which these people are

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thinking, and it is the poverty and not the slavery to which he is condemned by Capitalism which excites their indignation. It is a "National Minimum of Civilised Life" on which their hearts are set. The State of their Utopia would be an association of consumers satisfying their needs by enlisting the activities of hired servants, a nation of workers living on "standard rates" determined by some external authority (presumably a cross between the House of Commons and the London School of Economics!), and in no sense masters of their own industrial life. Hence the Collectivist has never appealed to the independence of the worker as a worker, but only as a voter; he has sought his compliance in a bureaucratic experiment, not his victory in an industrial crusade. The first condition of any movement towards emancipation is that the initiative of the dispossessed shall have been stirred; but the Fabian sought to "raise" the poor rather than to rouse them. The worker was to reach Socialism—if ever—after he had been brought, blindfold and bound, through the dreary vista of the Servile State. The only message of Fabianism to the masses was, "Open your mouth and shut your eyes, and see what the fairies will bring you." But, if the achievement of freedom is to be the burden of our appeal to the workers, we must speak not of what we expect for them, but of what we expect from them. It is of the essence of the Guild idea that it is emancipatory in method as well as in aim. In setting themselves the task of establishing their Trade Unions as permanent and responsible associations in the social order, the workers will gain

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freedom as they go forward; they will not merely find it waiting for them, as it were, "round the corner." The ideal of National Guilds not only opens up a prospect to which the worker can reasonably look forward, but it insists that by his own efforts he should hasten its advent. It gives him something to work for, whereas the Collectivist only offered him someone to vote for. The worker who is a Guildsman will seek to inspire his Trade Union to play an active part in industry; but the Collectivist sought to "capture" the Trade Unions only in order that their members might be induced to play a passive rôle in politics.

Emancipation by capture, indeed, was the contribution of Fabianism to the problem of Socialist policy—capture of the machinery of the State by the enlightened bureaucrat, capture of the Trade Unions by the progressive politician. The Labour Party was formed to rivet the gaze of the workers upon Westminster, while the Fabians themselves concentrated the attention of the middle-class reformer upon Whitehall. While the politician parleyed at the gate of the capitalist citadel, the bureaucrat set himself to undermine its foundations. The rank and file were left alone to look on, helpless to criticise and free only to applaud. All vitality and independence were drained out of the Trade Unions, which were diverted from their true function in the industrial field to become the passive agents of a futile political experiment—"mere electioneering devices for making the working classes seem more Collectivist than they are."[1] Indeed, the

[1] *The World of Labour*, by G. D. H. Cole, p. 8.

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State Socialist has been so infatuated with the idea of evolving Socialism out of the Trust that it has never struck him that it might—or rather that it must—be built upon the Trade Union. Mr. Pease himself admits that "in 1888 the authors of *Fabian Essays* appeared to be unconscious of Trade Unionism." When they became conscious of it, they assigned to the spontaneous organisations of the workers themselves, the necessary constituents of any free Socialist State, only a strictly subservient rôle. In the process of transition to Socialism they might form useful watch-dogs of Mr. Webb's pet formula of a "National Minimum." But, when State Socialism is established, its supporters can find no particular function for them. Mr. Ramsay MacDonald, for instance, in his book *The Socialist Movement*, concedes the existence of Trade Unions in the Socialist State as advisory bodies, but on the vital point of democratic control he is content to hedge.

> Whether these organisations will appoint or have any voice in appointing workshop managers and business directors is a matter on which no definite opinion can yet be formed.[1]

That "these organisations" may form a "definite opinion" on the matter for themselves does not seem to have struck Mr. MacDonald as a possibility!

Betrayed by the Collectivists, Socialism has forgotten the enemy and mistaken the goal. Intent on "the abolition of destitution" and on a change that should be gradual, peaceful, "practical," and

[1] *The Socialist Movement*, by J. Ramsay MacDonald (Home University Library), p. 192.

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acceptable even to those whom it displaced, it soon surrendered to the wage-system, and aimed only at the "security" of its victims. Meanwhile, and perhaps as a consequence, its democratic aspirations were shipwrecked on the rocks of State Sovereignty. To every problem the State Socialists applied their flyblown formula—"the nationalisation of the means of production, distribution, and exchange"—as if putting industry into the hands of the politicians were synonymous with putting it into the hands of the people. But as long as the State remains, as at present, subject to capitalist influences, and its activities are controlled by men suspicious and generally contemptuous of the aspirations and abilities of the workers, State control will mean nothing more than State regulation of labour, usually in the interests of a private profiteer. Even when the process of nationalisation is complete and the State is in direct command, the workers are not likely to gain much if they have to labour harder than ever to raise the money for the "compensation" of the departing capitalist at the current rate of interest, and have to take their orders from masters armed with the added sanction of "national authority." "The Duke of Sussex," as Mr. G. K. Chesterton has put it, "will be quite ready to be Administrator of Sussex *at the same screw*." But the error of the Collectivist went even deeper than this. He identified the State with Society, of which it is but a single, even if a pre-eminent, aspect. To the State and the Municipality, organisations of men on a geographical basis, representing of necessity—as far as industry was concerned—the outlook

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of "consumers," all power was to be entrusted. Other associations might be tolerated, but all —the Trade Union, the Church, even the family— would exist, in effect, at the will of the Sovereign State. A suspicion of this is at the root of that standing accusation brought so commonly against State Socialism, that it would "break up the home." The accusation was seldom strictly justified, but it displayed an instinctive distrust of a political doctrine that concentrated all democratic authority at Westminster and the local town hall. The Socialist spoke of brotherhood, while he threatened the very fraternities in which it could alone be found. He used the word but to cast a sentimental halo round the mere common submission to regimentation by a single authority—the Bureaucratic State.

The existence of social groupings within the State is as essential to human freedom as it is natural to human fellowship. The function of the State is not to destroy the vital associations of which society is, or should be, composed, but to harmonise them. A divided, or, rather, a distributed, sovereignty is necessary to the social health of a society, and corresponds, as the Omnipotent State can never do, to the realities of man's nature. Recent political writers have much concerned themselves with the "corporate life and personality" of associations within the State; few have thrown more light upon this subject than Dr. J. N. Figgis.[1] He says:

The State did not create the family, nor did it create

[1] *e.g.*, in his *Churches in the Modern State* and *From Gerson to Grotius*. See also chapter iii., "The Nature of the State," in *Self-government in Industry*, by G. D. H. Cole.

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the churches, nor even to any real sense can it be said to have created the club or the trades union, nor, in the Middle Ages, the guild or the religious order, hardly even the universities; they have all risen out of the natural associative instincts of mankind, and should all be treated by the supreme authority as having a life original and guaranteed.[1]

In combating the supporters of State interference with religious education, he has well pointed out that,

What Dr. Clifford dislikes is the fact that denominationalism means the recognition of the religious society as such in the matter of education; what he demands is that there shall be no intermediary between the State and the child. . . . The child (if he be come of poor parents) is to be treated in this matter as belonging to the State alone.[2]

The demand of the Collectivist in industry is exactly analogous, as we may see by slightly altering the passage just quoted to read thus: "What Mr. Sidney Webb dislikes is the fact that National Guilds mean the recognition of the industrial society as such in the matter of wealth production; what he demands is that there shall be no intermediary between the State and the worker. . . . The worker (if he be come of poor parents) is to be treated in this matter as belonging to the State alone." Collectivist theory, indeed, seems likely to lead not to a nationalisation of capital, but to a nationalisation of labour.

The capital error, however, of Fabianism, and of the State Socialism which it inspired, was its surrender to the wage-system. Its economics the

[1] *Churches in the Modern State*, p. 47. [2] *Op. cit.*, p. 46.

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Fabians accepted (when they understood them); to its tyrannies they were blind. It was poverty and not wage-slavery that they set themselves to abolish. They perceived the sufferings of those whom Capitalism has reduced to owning and controlling nothing at all of the instruments of production; they could not see the spiritual subjection in which they were bound. They "pitied the plumage, but forgot the dying bird." The Socialism they preached tended always to pass into a mere State Capitalism with a public security for the payment of rent and interest, while the worker remained where the Fabian found him—in wage-slavery. If this be doubted, let the reader turn to *Fabian Essays* and listen to Mrs. Besant explaining the remuneration of the worker in "Industry under Socialism":

> Out of the value of the Communal product must come rent of land payable to the local authority, rent of plant needed for working the industries, taxes, reserve fund, accumulation fund, and all the charges necessary for the carrying on of the business, *including wages advanced and fixed in the usual way*![1]

Time served only to confirm this faith in an economic system which treats the "cost of labour" as a "factor in production." In a famous *Report on Fabian Policy*, issued in 1896 and never since withdrawn, may be found the following:

> The Fabian Society discards such phrases as "the abolition of the wage-system," which can only mislead the public as to the aims of Socialism. Socialism does not involve the abolition of wages, but the establishment of standard allowances for the maintenance of all

[1] *Fabian Essays*, p. 163.

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workers by the community in its own service. . . . In short, the Fabian Society, far from desiring to abolish wages, wishes to secure them for everybody.

Nothing could be more definite. The debased status of the worker, as a passive instrument of production bought with a wage, is to continue for all time. *Injustitia fiat, ruat coelum!* But since the abolition of the wage-system is the sole condition on which the worker's emancipation can be won, it is essential that we should be clear about it before we can make our choice between the goals of Servility or Freedom.

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CHAPTER III

SERVILITY OR FREEDOM?

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The Wage-system: its assumptions and its implications. Labour a tool. "Our most precious raw material." "Orthodox" Economists and the commodity theory of Labour. Reformist fallacies: (i.) the illusion of "higher wages"; (ii.) the standard rate and a "higher status." Wages, the price of servitude; Pay, the reward of service.

The breakdown of Capitalism: causes of its instability. Capitalist efficiency and civil liberty ultimately incompatible. The capitalist's creed: its "wage-slave-morality." His demand for stability a demand for slavery. The Servile State. Its advent (i.) promoted by the employer—the Garden City and the Garden—scientific management; (ii.) sanctioned by the State through legislation; (iii.) accelerated by the War and its effect upon industry.

Servility or Freedom? A vital choice. "After the War": the illusions of "goodwill." The brotherhood of the trenches and the bondage of the workshop. The impossibilities of industrial pacifism. National Trusts or National Guilds.

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III

SERVILITY OR FREEDOM?

THE fundamental basis of the revolutionary case against Capitalism is not that it makes the few rich and the many poor—though this is true; not that it creates social conditions which are a disgrace and an amazement in a civilised community—though this also is true; not that it brutalises the rich by luxury, stifles beauty, and frustrates the hope of craftsmanship for the worker—though, indeed, it does all these things; but that it denies and degrades the character of man by the operation of a wage-system which makes the worker of no more account than a machine to be exploited or a tool to be bought and sold. The seed of all our glaring social failure and distress to-day lies not in any imagined "problem" of poverty, nor in any inevitable "stage" of economic development, but in a vile conception of human relationship that has entered into and now dominates all our social life and has invested it with its character of injustice and insecurity. This spiritual failure to which we have come finds its concrete expression in the wage-system. Its assumptions and even its ideals (if we can call them so) have won so great a victory over the minds and wills of every section of our countrymen that its creed is the creed of England to-day. Few challenge it; few have the spirit even to desire an alternative, far less to struggle for one.

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That men should be forced by the menace of starvation to accept a price for the labour which is all they have to sell, to subdue all their purposes and all their gifts to the purpose of others (and that purpose profit), to lay claim to no right of control over the conditions of their working lives, nor any power of government over those who direct them in the workshop, to be divorced from responsibility and all the attributes of free status, to have upheld before them no standard but that of gain, no incentive but the bribe (often fallacious) of higher wages—this pathetic distortion of human fellowship, this vile and perilous imprisonment of the human spirit, is actually accepted as natural, and even providential, by nearly all those who triumph by means of it, and by the vast majority, indeed, of its victims. The existence of the wage-system conditions all our "reforms"; it is (as has been well said) our "permanent hypothesis." It has even infected our very language, so that we can speak without compunction of the workers as "hands," the process of their hire as the "labour-market," and the return for their services as the "cost of labour." Catch-phrases reflect it: as when we tell the worker (with equal insolence and truth) that he is "not paid to think," or inquire (with the standards of gain transcending all others) "what a man is worth."

The Proletarian State, combining economic tyranny and insecurity with political "democracy" and civil liberty, is something quite new in history. Its industrial princes and their Parliamentary hirelings, while preserving and even extending the machinery of human rights and the show of political

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power, have reduced this parade of freedom to a hopeless mockery by affording to the vast majority no resource in the economic sphere by which that freedom might be translated from theory into fact. For Capitalism demands as the condition of its successful working that the bulk of mankind shall own nothing at all of the means of production, nor even assume any real degree of responsibility for the control of the circumstances upon which their livelihood depends. The worker is thought of not as a man, not even as a labourer, but as "labour"—a mechanical aid to the purposes of another, something to be purchased, a tool. And, indeed, the familiar phrase of the economists, "Land, Capital, and *Labour*," exposes the whole error on which the wage-system rests. Human labour has come to be regarded, both in theory and practice, not as the employer of the instrument of production, but as *one of the instruments of production*. A separate class of persons has arisen, almost fortuitously in the first instance, but now ever more rapidly becoming circumscribed and defined, whose function it is to buy labour-power in the "market" as a commodity and pay for the cost of its subsistence with a wage. Labour-power under the wage-system is but machinery under another name; and as soon as human hands can be replaced more cheaply and efficiently by mechanical devices, the labourer is thrown on to the scrap-heap without compunction, while labour-saving inventions are extolled as the sign of economic progress. And so they would be if—the worker being in command of his own economic life—their effect were to save labour and

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not dividends. But so long as he is content to barter away his personality and all his priceless potentialities of creation and control for a mere money payment, the basis of which he is almost powerless to determine, the worker must of necessity remain only a factor in production, or, as a recent writer on industrial affairs complacently puts it, "our most precious raw material."

We may resent the phrase, but it is an exact one none the less. The "orthodox" economists will generally shirk so bold an admission of the commodity theory of labour. Professor Marshall, for instance, seeking to distinguish wage-labour from slave-labour, says[1]:

> The first point to which we have to direct our attention is the fact that human agents of production are not bought and sold as machinery and other material agents of production are. The worker sells his work, but he himself remains his own property.

How much value lies in this distinction the professor then proceeds to expose:

> The next of those characteristics of the action of demand and supply peculiar to labour which we have to study lies in the fact that when a person sells his services, he has to present himself where they are delivered. It matters nothing to the seller of bricks whether they are to be used in building a palace or a sewer: but it matters a great deal to the seller of labour, who undertakes to perform a task of given difficulty, whether or not the place in which it is to be done is a wholesome and a pleasant one, and whether or not his associates will be such as he cares to have.

[1] *The Principles of Economics*, pp. 588–595.

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From this it is clear that what the worker sells is not merely his labour but his body, and this not as a result of any free contract in which the seller bargains for his own terms, but under duress at a price determined by the condition of the "labour-market." Nor is the area of that market a matter of free choice for the worker; he may be constrained to fly from one end of the country to another at the bidding of the capitalist in order to dispose of his labour-power. Indeed, Labour Exchanges exist to facilitate this very object. Again to quote Professor Marshall:

> Since, however, no one can deliver his labour in a market in which he is not himself present, it follows that the mobility of labour and the mobility of the labourer are convertible terms: and the unwillingness to quit home, and to leave old associations . . . will often turn the scale against a proposal to seek better wages in a new place.

If the conditions of sale to which the labourer is subject under the wage-system, as revealed in the passages quoted, do not reduce the labour of man to the status of a commodity, it is difficult to see what meaning can be implied by the term.[1]

It is upon the wage-system, then, that our industrial life is founded, and upon the willingness of the

[1] For a full analysis of the economics of the wage-system it is necessary, of course, to go to Marx's *Capital*. The literature, both of exposition and criticism, dealing with the Marxian analysis is enormous; a good short book is *Marxian Socialism*, by W. Paschall Larkin (Purcell & Co., Cork). See also the pamphlets of the Socialist Labour Party (50 Renfrew Street, Glasgow) and many valuable articles in the *Plebs Magazine*. The case against the wage-system, from the moral standpoint in particular, has been restated in *National Guilds: An Enquiry into the Wage-system and the Way Out* (Bell), and again, with special reference to the war situation, in *Guild Principles in War and Peace*, by S. G. Hobson (Bell). See also chapter vi. in *Self-government in Industry*, by G. D. H. Cole.

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worker to sell his body for wages that the ability of his masters to exact rent, interest, and profits depends. It is the foundation-stone of all Socialist criticism that the existence of private property in the means of production involves private property in the destinies of society and in the lives of its members; and it follows that the proletarian not only cannot enforce his right to a share in controlling the society in which he lives—he cannot even enforce his right to live in it! But though every school of Socialism that is more than merely sentimental implicitly involves a repudiation of the wage-system, in practice, as we have seen, Socialists have allowed themselves to be tempted from the highway of emancipation to lose themselves in tangled bypaths of "reform." On the one hand, some have sought to mitigate the captivity of the wage-system by urging schemes of "workshop control" which, though they may be harmless and even valuable in themselves, do not necessarily involve any attack on the wage-system itself.[1] For the most part, however, Socialist reformers have been blind altogether to the wage-*slavery* of Capitalism, and have talked only of its *exploitation* of the worker. But though they have talked of it, they have been ready to perpetuate the very system by which it operates—as if the worker's labour ceased to be a commodity because it was purchased by a public and not a private employer. Meanwhile they have sought salvation for the proletariat in a programme of "higher wages," though (apart from the spiritual

[1] But see below, chapter vii., pp. 284–288, and chapter ix., pp. 430–441, where the whole problem is discussed from a constructive standpoint

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surrender which a concentration on this demand involves) it must be obvious that in the majority of cases wages cannot be indefinitely increased if profiteering is to be maintained. For the profiteer lives by pocketing the profit (or "surplus value") remaining after he has paid the landlord his toll in rent, provided for the cost of keeping up the necessary plant and other standing charges, and handed over to the worker the price of his labour-power or wage. There will come a point[1] when the profiteer will no longer feel sufficiently assured of his "surplus value" to carry on his business; and unless the *workers are prepared to advance out of the wage-system and shoulder the responsibility for the maintenance of the industry themselves*, they will find themselves on the streets with no wages at all. Wages may be raised here and there by skilful organisation, though even in these cases the capitalist will generally contrive to recoup himself by raising prices, by introducing labour-saving devices, or by "speeding-up" his work-people. Increased production, indeed, is likely to be the only means by which Labour will be able to maintain its standard of life after the War. But higher wages, on anything like a large scale and over the whole field of industry, are probably impossible within the wage-system—that is to say, a permanent increase in the return for labour is not to be expected as long as the worker looks for it in the form of a wage. Sir Hugh Bell, a prominent employer in the iron trade, states the matter quite bluntly. After an

[1] It is alleged that this point has already been reached in the case of a number of small mines in South Wales, which, in view of the comparatively high rate of wages prevailing in that coalfield, it does not pay to work, and which have been in consequence shut down.

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examination of the balance-sheet of his industry and its various items of expenditure, he concludes that "the moral is that, under existing circumstances, the present division of the products of industry cannot be divided in any very much different way from the present."[1] It is hardly necessary to point out that the "existing circumstances" are the facts of the wage-system, by which, so long as he accepts it, the worker is imprisoned and impoverished at the same time.

We see, then, that not only must the wage-system be repudiated if the worker is ever to be spiritually free, but that until it is abolished he can never be assured of a due reward for his labour, unless the miserable "standard rate" of to-day (that is, the rate of wages established by Trade Union action in any district for any given class of labour) is to be accepted as such. We do not deny the value of the "standard rate" as a temporary safeguard; but there is grave danger in regarding it, with some modern progressive economists, as conferring a more or less satisfactory status on the worker. Mr. Henry Clay, for instance, goes to perilous lengths in this direction. He says[2]:

This standard of life is a conception which, though difficult to formulate, is not indefinite. . . . Any worker in an established industry has a pretty clear idea of what the standard of his grade in that industry and district is; and to that standard he conceives he has a right. . . . *It gives an ideal colour to a material struggle, because it converts a demand for twenty-five shillings a week into a demand for a right and the assertion of a status in*

[1] *Industrial Reconstruction*, edited by Huntly Carter, p. 66.
[2] *The Industrial Outlook*, edited by H. Sanderson Furniss, chapter iii., pp. 66, 67.

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society.[1] . . . The demand for it is the instinctive reaction of the average man against a system of free contract, which leaves him free to get rich in his own way, but guarantees him no secure status if his interests and ambitions do not happen to lie in the direction of amassing wealth, or if inequality of opportunity prevents him from using his "freedom."

And a few pages further on[2] he declares that

Whether our ultimate aim is the conservation or the abolition of the wage-system, we must recognise that the insecurity of status of so many wage-earners is an evil. It prevents them from giving much attention to schemes either of reform or of revolution, and its removal is a necessary first step to any considerable social advance.

All this is plausible enough; but what we have got to be sure of is that if we so magnify the importance of the "first step," we do not postpone indefinitely those further steps which have got to be taken if "any considerable social advance" is to be achieved. The only crusade which really promises an increase in status for the workers is the crusade against the wage-system; and there is only too much danger that, if they are persuaded to adopt a policy of *reculer pour mieux sauter*, they may act upon the first part of the advice, but not the second. In giving "an ideal colour to a material struggle" we push into the background that spiritual struggle which is alone of any permanent consequence. This was the result of that Fabian programme of a "National Minimum of Civilised Life" which

[1] Our italics.

[2] *Op, cit.*, p. 92. The whole chapter is of great interest in indicating what must be done "if society wishes to give the employee a secure status without an economic revolution."

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commended itself so readily to the " best men of all parties," who were delighted to find the worker's " assertion of a status in society " (to reverse Mr. Clay's phrase) converted so easily into " a demand for twenty-five shillings a week." The analogy with Fabianism becomes closer still when we find Mr. Clay declaring that " the most direct way of improving the position of the wage-earners will be by imposing conditions on the contract that will give it stability," and adding that " the intervention of the State is necessary, in order to *enforce* those conditions when discovered." " Stability " passes swiftly into servility, and the status which Mr. Clay is so anxious to see crystallised in law and guaranteed by the State is likely to be the status of a slave. There is no possibility of a change in status for the worker while the wage-system is maintained, unless it be a change for the worse. If the worker once admits that there is a certain price at which his body can " reasonably " be hired to serve the ends of others, and allows the State to guarantee it for him, his surrender to Capitalism is complete. Yet a short while ago a " revolutionary " programme was put forward as a " Charter for Labour " by a group of people regarding themselves, no doubt, as extremists, which had as its main plank the alluring cry, " A pound a day is the worker's pay." However this formula might be explained, it could only give rise to the impression that a wage-slave ceases to be a wage-slave on receiving £300 a year!

In view of the many confusions which surround this simple but essential fact of the exploitation of the many by the few, we cannot too often insist on

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the elementary definition of wages as *the price paid in the competitive market for labour as a commodity.* It is sometimes objected that between "wages" and any other term for the money which the worker receives there is no difference, and that it matters nothing what word is used. The objection is specious, but it is in reality very foolish; for between "wages" and "pay" there is all the difference that there is between slavery and freedom. "Wages" represent the cost of hire, a price paid for the upkeep of the worker as for that of any other machine. "Pay" represents the reward for service, something due to one who is contributing to the common interest; and it carries with it the recognition of an honourable status. "Wages" are a toll which the profiteer finds it necessary to pay before he can collect his profit. "Pay" leaves nothing over to be appropriated by persons who are not serving the community. "Wages" are what the capitalist is constrained to give. "Pay" is what he who renders a service is entitled to receive. The worker, while he is producing dividends for his master, receives "wages," which cease, however, when his job ceases. The soldier in the service of his country receives "pay" whether he be fighting or not; he serves as a man; he is not "taken on" as a "hand." The wage-slave knows nothing of service; without responsibility and without honour, his life is servitude interrupted occasionally by starvation.[1]

[1] "The commodity valuation which Capital places upon labour, and enforces upon labour, is governed by the knowledge that starvation is the only alternative. Capital ascertains the cost of housing and feeding labour, and adds to this an allowance for the maintenance and training of children, in order to ensure its supply of future labour. Free education was the signal for an immediate all-round rise in rents, or,

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A false and very ignorant defence of Capitalism (and its corollary, the wage-system), that it is "inevitable," that we cannot get on without it, and that on the whole it works as well as we can reasonably hope to expect of any social system, is often made, and can best be met by a direct negative.[1] The wage-system is not inevitable, but an evil choice permitted by our forefathers, the making of which might have been avoided and the escape from which we may achieve if we will. Far from its being indispensable, it is manifestly breaking down, and has to be patched up and supplemented in a hundred ways by statutory "reforms" and private charity. And, finally, it works so badly that, with all the increase of prosperity at the top of the social scale, it has reduced the masses to such a pitch of wretchedness and want that innumerable agencies, public and private, have been forced to step in to prevent their perishing altogether. For it is not even the case that the wage-system brings with

in other words, a reduction in the purchasing power of wages. The cost of educating his children being no longer borne by the worker, the capitalist ceased to allow for it. It is exactly the same calculation as the slave-owners formerly made. But, apart from the political enfranchisement of Labour, there is this difference: Slavery tended to one dead level of sustenance, whereas modern Capitalism requires far more various grades of labour skill. It, therefore, first finds the bare cost of living and, as occasion determines, adds to it the extra cost of training labour to some special purpose. It is this difference in wage-rates that confuses many people. They cannot understand why there are so many variations in wage-rates if wages are really based upon the cost of sustenance. The real formula is that wages are primarily determined by the cost of sustenance necessary to the trade concerned. In this way we discover that wagery is equally degrading to the highly-paid artisan and the lowest-paid labourer. It is the wage-system as a system that is repugnant to the nature of free men, and must therefore be abolished."—From *A Short Statement of the Principles and Objects of the National Guilds League.*

[1] For a most interesting examination of the moral defences attempted on behalf of the wage-system, see the chapter entitled "The Moral Foundations of Existing Society" in *National Guilds*, pp. 109–121.

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it any social or economic benefits which might appear as compensations for the loss of liberty and the crushing of personality it involves for those whom it enslaves. Capitalism fails in the most obvious essential of any economic system—it does not supply to many thousands of our countrymen the most imperative of human needs. It limits useful production by limiting the purchasing power of the proletariat, and thus produces a state of things known as " over-production," which does not mean that more commodities are produced than are required, but only more than can be bought owing to the impoverishment of the workers. " Over-production " is thus paradoxically caused by " under demand," and this applies still more to quality even than quantity; for the proletarian cannot affect demand by the exercise of choice, since he has no " power to wait." Scarcely less pitiable than the poor whom the wage-system debases are the rich whom it corrupts by luxury, and brutalises by stimulating the very spirit of avarice which makes its existence possible. For the wealthy no more than for the worker is industry a service; it is " business," and " business is business "—that is what is the matter with it! Riches are seldom gained and with difficulty preserved without restless anxieties, base rivalries and false friendships, suspicion, ruthlessness, and a thousand subterfuges. The prosperous are hardly more free than the poor to find joy in the exercise of a happy activity, or in the pursuit of a culture more valid than the fads of a clique or the barren traditions of a class.

But beyond all other objections to the wage-

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system, there remains this practical one—that it cannot last. Capitalism is subject to a double strain. It is not only failing to provide the workers, while treated as free men, with the means sufficient to maintain them in reasonable efficiency; it is, further, involving such a monstrous divergence between the moral theories on which our society is based and the social features which it exhibits that in the conflict between the principles of freedom and equal status and the practice of exploitation and caste barriers one or the other will have to disappear. The two ideas of a servile but secure proletariat and a free and responsible nation of workers are beginning to reveal themselves in sharp contrast. For no stable society can be founded on a contradiction as absolute as that between our English legal theory and the contemporary practice of our industrial life. The assumption on which our law is founded is that free citizenship reinforced by property is normal to the average man; theft and fraud are punished as abnormal outrages, and contracts are enforced on the presupposition of the freedom of the contracting parties, whereas the truth is, of course, that the majority of so-called "free" contracts are really "leonine" and morally invalid. Moreover, it is not of any public authority, but of the action of a private individual who happens to be his employer, that the worker is most conscious and most afraid. As Mr. Hilaire Belloc has said[1]:

> The real sanction in our society for the arrangements by which it is conducted is not punishment enforceable by the Courts, but the withholding of livelihood from the

[1] *The Servile State*, p. 85.

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dispossessed by the possessors. Most men now fear the loss of employment more than they fear legal punishment, and the discipline under which men are coerced in their modern forms of activity in England is the fear of dismissal. The true master of the Englishman to-day is not the Sovereign, nor the officers of State, nor, save indirectly, the laws; his true master is the capitalist.

It is this conflict between the political freedom of the worker and his industrial servitude which manifests itself in the various forms of "labour unrest" and renders Capitalism unstable; and this is increasingly being realised by the capitalist himself. He longs for a legally secured control over "his" workpeople, and he is beginning to claim the position of an industrial tenant-in-chief of the State. There is much to be said for this claim. If industry is to be efficiently organised, it must be controlled. If it is to be controlled by the capitalists, that control must include the control of the most important factor in the production of his profit—the worker. Hence, *the efficiency of Capitalism and the freedom of the worker cannot exist side by side.* The capitalist, in nine cases out of ten, believes in secret what a famous champion of American slavery[1] once asserted openly, that,

> The true solution of the contest of all time between Labour and Capital is that Capital should own the labourer, whether white or black.

This conviction, which, whether it is held consciously or unconsciously, is rapidly becoming general among the capitalist classes, does not necessarily arise from a love of tyranny for its own sake (though such an instinct may be strong enough

[1] Henry Clay (of Virginia).

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in some cases), but from sheer inability on the part of the profiteer to envisage any society which is not based upon the wage-system. To him the only alternative to Capitalism is chaos. " If this sort of thing goes on, I don't know what's going to be the end of it "—with such a remark will the golf club-houses and first-class carriages of England greet any sign on the part of the Trade Unions that they are awakening to the part they have got to play in the building of a free society. These people do not know how a world can go on from which the profiteer has been eliminated. The capitalist argues in this fashion : " I am socially and economically indispensable to all progress, and even to all order. Without my enterprise the world would come to a standstill in five minutes. Being thus indispensable, the fact that I employ my powers (including my capital) and my activities (including my brains) to keep things going entitles me to be regarded as a public benefactor. I admit my responsibility to the State whose citizens are entrusted to my care to serve as material for the business which I am public-spirited enough to carry on. I accept that responsibility, and undertake that the State shall have no cause to call me to account for their health or well-being. But in return for this I expect the State to assist me and not those who oppose me ; for in aiding them it will only be strengthening forces which render difficult or impossible the smooth working of my business, and it will therefore hinder me in discharging my task of increasing the national output and in fulfilling my mission of keeping a proportion of the working class usefully employed."

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This is the capitalist's creed. It is recited daily by hundreds of employers and dutifully subscribed to by thousands of "their" workpeople. The profiteer partly creates and partly subjugates public opinion. He has imposed on the masses a "wage-slave-morality" akin in the economic sphere to the slave-morality to which Nietzsche condemned the bulk of mankind. Like Circe, the wage-system degrades its victims till they no longer realise the toils in which they are caught, and the apologists of the "great employer" are able to represent him as indeed "beyond good and evil," as a necessary stage in economic evolution, a condition of economic progress, indispensable and inevitable. Capitalism is even defended as vital by its champions on the ground that it alone provides the necessary economic pressure without which the working man would never work at all. The idea that the wage-system, by depriving industry of its opportunities for the exercise of human free-will and self-expression, has destroyed the finest stimulus to the worker's activity, and thus degraded work into toil, is one which it is outside their power to grasp. For it is a spiritual conception, and the philosophy of Capitalism is materialist from beginning to end. It bases itself on the maxim that "the greatest benefactor of humankind is the man who makes two blades of grass grow where one grew before," caring nothing for the soil from which it springs, nor the texture of the grass when it appears. It takes its stand upon "enterprise"; but it is enterprise that can only be called into existence by the prospect of a solid dividend. "To think profits and to make them:

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that is the business mind." This sentence is not the sweeping accusation of a dreamy idealist; it is a genuine quotation from the syllabus of a "Memory School" which sets itself the task (as it declares) of "mobilising the mental resources of the people." And it is right; this is the business mind, only too faithfully reflected in the outlook of the very proletariat out of whose labour those profits can alone be made. To dream wages and to seek them has been all too often the limit of the aspirations of the working class. It is the "business mind" which the Guildsman comes to combat, to eliminate, and to supersede; for while its "wage-slave-morality" holds sway over us all we can never move towards any free and noble end.

It is clear, moreover, that this creed of the capitalist is driving him on to-day to make substantially the same demand as that which must be made by the Trade Unions of to-morrow—the claim for partnership with the State. He is seeking to gain a national recognition of his right to responsibility and control in the sphere of industry, and in proportion as he gains it will the task of the Guildsman be rendered more difficult. For the State will have thereby sanctioned the servile status of the wage-slave, and in doing so will have gone far to render it permanent. It will be no longer possible to regard the distinction between the owner of the means of life and those dependent on him as a temporary accident affecting equals; it will have become a decisive reality corresponding to an essential difference in their relation to the community. The assistance which the employer demands, or is on the way to demand-

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ing, from the State to which he believes himself indispensable, is not confined to its passive abdication of the right to control the lives of his employees. He seeks its active co-operation in compelling them to work for him " on fair terms." What those terms shall be remains to be settled between the State, the employer himself, and even (he may admit) the Trade Union. But once they have been agreed upon, it is the duty of the State to maintain them, or " things can't go on "—that is, the stability of Capitalism is impaired.

We have already encountered this idea of " stability " in considering the problem of the " standard rate," and we saw that it could only mean the surrender to slavery. Indeed, when the claims of modern Capitalism become sanctioned by the spirit and the letter of our law, and accepted without challenge in our social life, then we have said farewell to the attempt to realise a free society, and we have admitted the establishment of a new form of human association. We must find a new name for this new society; and Mr. Hilaire Belloc, who has with so much insight pointed out its advent, has characterised it as the Servile State. The description is in no sense rhetorical; it is exactly accurate, for it is his free status that the workman of to-day is preparing to abandon. When a man's power to bargain afresh for the terms on which he shall supply his labour is surrendered or destroyed, when his freedom of action over long periods (whatever benefits be offered in return) is bartered away, when special conditions are applied to him as a manual worker or a " wage-earner " from which other members of

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society are explicitly exempt—when such things become the normal practice of legal enactment and social usage, then the Servile State is at hand. Clearly it is upon us to-day.

It is not only that all modern legislation tends to interpose, between the workmen and the State of which he is nominally a citizen, the employer for whom he works. The idea of tutelage is the very core of the philosophy of the "good employer." The great enterprise of to-day makes claims upon its employees which bind them closer to its interests than any natural ties of kinship with their fellows in their Trade Union, or with the fellow citizens of their town, or even with the national interests of their country. It is a new feudalism. "Put ———'s first; remember how much you owe to it, and that it is your duty to give it your best in return"—such a sentence as this will be found again and again in the magazines and circulars issued by modern business firms for the benefit of their employees.[1] The employee of a great business to-day may spend

[1] To appreciate the lengths to which interference in the private lives of English workers can be carried, the reader may study a document issued by the Ford Motor Company on the occasion of its opening a branch in this country. An article in the *Daily Herald* of May 14th, 1914, gives particulars of the "Record of Investigation" or schedule of questions issued to the firm's investigators, who set on foot inquiries among the neighbours of those applying for employment in the firm. A few of the questions are here appended: "Numbers of persons dependent? Name of dependents? To what extent and the reason? Relationship? Age? Address? Debts (total), £ . . .? Hire-purchase owing, £ . . .? Instalments? Arrears? What for? Reason for debts? Name of bank? Pass-book number? Balance? Name of Insurance Company, Club, or Union? What kind? Amount? Arrears? Premiums? Recreations? Habits? Home conditions? Neighbourhood? Remarks? Approved for share of division of profits by . . . ? Date? Rate? Skill? Remarks? *What are you saving for?* Previous employment with this company: Date hired? Number? Department? Rate? Reason of discharge? Date? Previous employment with other firms: Name? Address? How long? Date of leaving? Reason? Pay?"

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his days in a model factory and his nights in a "garden-city," but, though his body be well cared for, he finds only too often that—in the full meaning of a tragic phrase—he "cannot call his soul his own."

This truth might be illustrated in a hundred ways; a single true story must suffice. A lady told one of the writers of this book that she was once conducted round the industrial estate of one of our most distinguished captains of industry. She was admiring its order and design, and in particular she inquired of her guide, "How is it that you get your workers to do their gardens so beautifully and all according to a plan?"

"My dear lady," he replied, "you don't suppose we let them touch their own gardens? The gardens are done for them by the firm; if they want to make a mess, they can go and get a patch—outside."

The spirit of benevolent Capitalism could not be better exemplified. It will offer to its hirelings the garden-city, but it will shut them out of the garden.

Among the most sinister developments of the new Capitalism are the ideas and devices associated with the phrase "Scientific Management."[1] It is clear

[1] There is now a considerable literature on Scientific Management, ranging from the more seriously "scientific" volumes of Taylor and Hoxie down to such crude examples as *The Job: The Man: The Boss*, by Katherine Blackford and Arthur Newcombe (Doubleday Page & Co., New York), which is worth a glance in order to see to what ludicrous lengths this sort of "science" can be carried. A very interesting discussion on Scientific Management, especially in relation to systems of payment by results and the problem of the control of industry, between Mr. G. D. H. Cole and Mr. Charles Renold (an engineering employer who has experimented with Scientific Management in his works) will be found in *Some Problems of Urban and Rural Industry* (Ruskin College Series on "The Reorganisation of Industry," vol. ii.).

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that an expression so vague can have many applications, and it will scarcely be denied by any one that there is much room for the organisation of scientific methods by employers in the management of inanimate objects. But it is characteristic of our modern captains of industry that they should prefer the regimentation of men to the regulation of things; to them Scientific Management means above all the application of "time-study" and "motion-study" to the worker with a view to fixing a time and price for every job, "speeding up" the slower worker to the level thus fixed, and bribing all who can be tempted by the notions of "maximum efficiency" and the lure of attendant material gains to forget all sense of solidarity with their fellow workers and strive openly for themselves alone. A system of cut-throat competition, such as has been largely abandoned by capitalists, who have learnt the greater profitableness of the Trust and the "Ring," is thus forced by them upon the workers, whom, if they can but divide, they will be enabled to conquer. Just as one "can prove anything by statistics," so some people are prepared to determine anything in the name of science. Mr. F. W. Taylor, who has had perhaps the largest share in popularising the doctrines of Scientific Management, has claimed that it "does away with the need for bargaining about wages, and substitutes law for force in the determination of wage-rates." The answer, of course, is that it does not do this—but it would like to! "All the time-study in the world cannot show how much ought to be paid for a job," as Mr. Cole very sensibly remarks; there will never be "nothing

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to bargain about between employer and workmen" until there is no longer an employer left with whom to bargain. It is only if we admit Capitalism as eternal and the "proper division of the product between Capital and Labour" as arbitrarily ascertainable that we can permit the "rate-fixer" of Scientific Management to replace the activities of the workers' associations themselves.

Scientific Management, indeed, even when not explicitly hostile to Trade Unionism, is fatal to the principles on which the latter is founded and the ideals at which it must aim. The sops which it throws to the workers are mere incentives to individual gain, and we may be sure that, where each is for himself, the devil will not be content with the hindermost. The experience of an inquirer sent over by a woman's Trade Union organisation to study the methods of American Scientific Management at first hand is of the greatest interest and significance in this connection. She discovered, in the first place, that "the extreme individualism of the system produced an equally strong individualism in the worker." One woman to whom she spoke seemed to have no other idea in life than to maintain her standing as a "100 per cent. efficieney" binder of bundles of handkerchiefs, but confessed, on being questioned, that the monotony of the process to which she had adapted herself so successfully had reduced her to "a bundle of nerves." Other workers admitted that "the system is making us nervous and selfish," and asked their questioner to "tell the English people not to have anything to do with Scientific Management." The investigator

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discovered, further, that nothing was managed more "scientifically" in many of the firms of this type than the selection of the "right" workers.[1] One business boasted that their system was "so scientific that not a single agitator had got through their net in three years"! Interference in the life of the worker was not confined to the factory, but carried into his leisure time and even into his home. One firm issued a reading-guide to the girls in its employment (the books in the library having been selected in advance by the management), and their friends were scrutinised in order to decide whether or no they were "likely to be beneficial." An extreme case related to a girl whose efficiency fell regularly every Monday morning; the lapse was traced to anxiety over a brother who was invariably drunk during the week-end. The firm set plans into operation as the result of which the young man was removed from the town. The "sacredness of the home" is not a consideration likely to weigh with the "scientific manager"; his ideal is the industrial compound. The worker is to hand himself over body and soul to his employers, who will undertake to surround him with every social device to keep him bright and efficient, from the "rest-room" to the "carefully selected library," so that he—or more commonly, she—approximates as nearly as possible to the perfect machine.

This is the apotheosis of wage-slavery, the goal of "garden-citizenship." But this extension of control on the part of the capitalist over those who produce his profits, perilous as it is, would not in

[1] See the "Record of Investigation" quoted above, p. 48 n.

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itself warrant us in declaring that our society was becoming servile in the strict sense of the term. The disease goes far deeper, and it is when we find the definite inequality, or, at the least, differentiation in status between those who work for wages and those who pay them, finding its way into the statute book and operating decisively in the lives of the people, that the truth becomes plain. The maxim, "One law for the rich and another for the poor," is no longer applicable merely as a cynical comment on certain inequitable results of the working of our Common Law; it is a perfectly plain and accurate statement of the nature and intention of our modern "reforming" legislation.[1] This legislation accepts the wage-system as something permanent and inevitable, and to obtain its smooth working lays down that those who own shall act in a certain specified way towards those whom they employ, and that those who do not own shall for that reason be subject to certain regulations, tolls, and restrictions which arise out of and define their status as wage-earners. This conception of status, with all its evil consequences in the black-listing and blackmailing of the poor, has been definitely recognised in English law by the notorious measure known as the Insurance Act. The war emergency, while it has thrown into relief the dependence of the nation upon the workers, has done nothing to raise their status, but has rather depressed it. Capitalism during the War has surrendered nothing but a light toll of "*excess* profits" and a submission to a seldom

[1] For a close and most valuable study of modern legislative tendencies, see chapter ix. in Mr. Belloc's *The Servile State*.

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more than nominal form of "State control," in return for which it has gained vastly in power and prestige. It has almost succeeded to the national partnership of which the workers—in spite of many fine speeches—have been afforded only a distant glimpse.

The Munitions Act extended a State sanction for forced labour in the interests of profiteering. It definitely created the industrial serf who might not leave his lord, but must labour for him in whatever manner he dictates. No more decisive advance to industrial autocracy has been made previously in this country. Henceforth we have to reckon with a Chartered Capitalism crowned with the halo of State partnership, and claiming, of course, to represent the fruits of "Progress."

Capitalism will thus emerge from the War stronger than it has ever been in the past. It has broken down every Trade Union "standard rate"; it has destroyed by the universal adoption of "overtime" and its accompanying bribes the necessary safeguard of the "normal day"; it has discovered in the labour of women a limitless field for exploitation; it will possess in the demand for increased production and in the agitation for a trade war against Germany the means by which it may hope to wring from the nation assent to the extension of its present enormous powers, and from the workers acquiescence in the confirmation of industrial slavery.

Servility or Freedom?—this is the choice which confronts our society to-day. There are elements in our midst which make for freedom, but unless they

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are fortified and nourished the supreme opportunity which will follow upon the War will be lost, perhaps for ever. There are people, amongst the most sincere of our revolutionaries, who are impatient of emphasis being laid upon this menace of the Servile State. "While the wage-system is the basis of our civilisation," they say, "what is the use of speaking of freedom? Men are already slaves for all practical purposes; the passing of a few laws which admit the fact makes no difference." They are wrong; the disappearance of the free and equal legal status of the mass of our population will be a terrible and decisive thing. It is vital to realise that, in spite of many sinister encroachments upon it of late years, this freedom does for the most part exist in legal theory; its practical consequences may be small, but its spiritual value is inestimable, if only as a rallying cry for the future. Where the servile condition of the masses is provided for by law and made obvious to the people themselves, the difficulty of rousing them for any advance to freedom is almost overwhelming. "You are being treated as slaves," cries the revolutionary orator, and the proletarian may still experience a thrill of indignation at the word. But if the servile basis of society be once admitted, the appeal loses all its force. "Well, and why not, since we *are* slaves?" is the natural reply of the servile worker, conscious of his status. When the implications and the consequences of the wage-system come to be crystallised into law, the hope of an escape from them becomes incalculably more remote. Society ceases to be a fluid thing, capable of being guided into the desired channels;

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it becomes rigid, only to be altered when by violence and destruction it be overthrown.

We may take comfort, then, from the fact that equality still lingers in the laws, and liberty upon the lips of our countrymen, though both have almost vanished from their hearts. It would be difficult to affirm that fraternity still lingered anywhere. Mr. Chesterton, in one of his cleverest stories,[1] has well pictured the gulf that yawns to-day between those who serve and those who are served. A sudden hitch occurs at a dinner-table of the prosperous, and the result is described thus:

> The waiter stood staring for a few seconds, while there deepened on every face at table a strange shame which is wholly the product of our time. It is the combination of modern humanitarianism, with its horrible modern abyss between the souls of the rich and poor. A genuine historic aristocrat would have thrown things at the waiter, beginning with empty bottles, and very probably ending with money. A genuine democrat would have asked him, with a comradelike clearness of speech, what the devil he was doing. But these modern plutocrats could not bear a poor man near to them, neither as a slave nor as a friend. That something had gone wrong with the servants was merely a dull, hot embarrassment. They did not want to be brutal, and they dreaded the need to be benevolent. They wanted the thing, whatever it was, to be over.

Nothing could better express the utter absence of all that is essential to true brotherhood than this passage. Our social system must work like clockwork, or it cannot work at all. Brothers can afford to quarrel; they need not be for ever talking of law

[1] "The Queer Feet" in *The Innocence of Father Brown.*

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and order. But to-day every social difference and every mutual misunderstanding between men of a different order in society threatens a cold feud, in which each side will soon be talking of its rights rather than of what is right. It is noteworthy that the primary significance of the very word "strike" has come at last to include no thought of a blow, but rather of something frigidly passive.

In the face of a cleavage so fundamental as this, what are we to say of that facile optimism which looks for an automatic solution of all our social problems "after the War" in a general atmosphere of good-fellowship? It is only natural, of course, that we should find in many quarters a demand for an end to "class differences," co-operation between Capital and Labour "for a common end," and high hopes built upon "the brotherhood of the trenches." The union of men of all classes for a common purpose, with all the devotion and mutual understanding to which it has given rise, has been a refreshing and an inspiring contrast to the ugly spectacle of our industrial life. Even the old feudal bond was a bond in the good as well as in the bad sense of the word, for it bound men to one another even more than it sundered them, and both lord and dependant shared a comradeship in arms in the king's service. How natural that men should be looking to this new comradeship in arms to serve as the basis of a reconstruction of society, with the old quarrels forgotten and the co-operation of "master and man" assured by "a spirit of give and take on both sides"!

How natural—and how fatally wrong! Goodwill,

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however genuine, can never be a substitute for justice, and freedom cannot be founded upon a lie. The "brotherhood of the trenches" is real enough among men sharing equal risks in a common service; it is more than an ideal, it is an instinct. In the Army all thought of gain is excluded; the officer shares all his men's perils, and carries out his duties side by side with them. He is first over the parapet; our industrial system does not show us the mining director first down the mine-shaft. How can "brotherhood" be reproduced in the workshop while men are at the mercy of bullying foremen (over whose appointment they have not a shadow of control), serving distant "captains of industry," who seldom, if ever, set foot in the industrial "trenches" where their fortunes are made for them by the workers' hands? The wage-system is industrial Prussianism, and the wage-slave is "machine fodder" in the workshops of plutocracy. While the wage-system remains the basis of our society, brotherhood can mean nothing but bondage; unity, the unity of tyrant and slave; social peace, the peace of death. The class-struggle, while some are seeking to buy labour cheap and others striving to sell it dear, is not a quarrel, but a duel; not a misunderstanding, but an *impasse*.

Social peace can only mean for the workers one of two things—emancipation or surrender. Unless we are prepared to establish the Servile State forthwith, we must be awake to the impossibilities of industrial pacifism. We do not deny that the end of the War will offer great opportunities for an advance towards social freedom, and we shall

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examine those opportunities in a later chapter; but, be it repeated, an opportunity for good is also an opportunity for evil. It is too lightly assumed that every Englishman has an instinctive love of liberty; on the contrary, many of those in place and power amongst us have an instinctive dread of it. "You do not know," wrote William Morris in a manifesto to working men in 1877, "the bitterness of hatred against freedom and progress that lies at the hearts of a certain part of the richer classes in this country. . . . These men, if they had the power (may England perish rather!), would thwart your just aspirations, would silence you, would deliver you bound hand and foot for ever to irresponsible Capital." The warning is as true to-day as when Morris penned it forty years ago. The very notion of "Reconstruction," noble as are many of the ideas which are associated with it, is not without its dangers, since to many people it means only an attempt to "settle" the social problem without solving it. Great questions, however, are not to be settled until they are solved, and it is certain that any reconstruction which may take place after the War, far from being a final step, will only be valuable to the extent that it leads to a demand for more. The time is far from being ripe for a reconstruction which could justly be regarded as final; the workers will need to be careful that they do not assent to any such system being imposed upon them. For if once their consent to such a system as finally satisfactory were even to seem to be obtained, every effort to improve their status, and thus to interfere with such a "settlement," would be

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made to appear as a breach of faith and a social crime.

Let us beware, then, of the Broad Way that leads to Reconstruction! The path to social freedom is a steep ascent, and there are no short cuts on the way. Despite the thousand terrors, limitations, and wearinesses that are the lot of the poor, despite the miseries of our cities and the horrors of our slums, it is not upon the struggle against poverty that the most crucial of all social issues depends. It is on the resistance to slavery that the battle turns which will determine the future of us all. The hope for society lies in the realisation of a possibility instinctively excluded by the philosophy of the governing classes and against the grain of our civilisation to-day. It depends upon how far we are able to strengthen, and even to stimulate, the initiative, the responsibility, and the appetite for freedom of the ordinary man at his everyday work. For a time such a quickening of the worker's most healthy instincts (now almost entirely atrophied) might not involve any obvious weakening of Capitalism, however much it might transform the machinery through which the latter achieves its ends. But before long it would certainly appear that a principle had been introduced into our industrial system which must needs ultimately transform it altogether. Self-government in industry is bound to lead eventually to the elimination both of the profiteer and of the bureaucrat; men taking their economic destiny into their own hands will not continue to suffer the control of any external authority over their working lives. But so long as the ends and purposes of

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industry are conditioned by the ideal of profit and determined by the profiteers themselves, the worker is a helot and the community an exploited province. The choice to-day is between the " reconstruction of the industrial machine " and the resurrection of the workers themselves. It is Servility or Freedom; National Trusts or National Guilds.

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CHAPTER IV

THE MIDDLE CLASS AND NATIONAL GUILDS

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The " class war " grounded on industrial antagonisms, not social rivalries. Its meaning for the " middle class," whose true affinity is with the wage-earner. A basis for this in the Guild idea. " Upper-middle " and " lower-middle " classes. The Professions: implications of the term. The doctors and the Insurance Act. Professional morality and Guild morality: the influence of industrial profiteering. Architects and their future in a Building Guild. The Teaching Profession: strength and weakness of its organisation. Towards a Teachers' Guild. The Civil Service: its future as a Civil Guild. The lower-middle class in industry. From shopkeeper to shop-assistant: the disappearance of the " small man." The " salariat ": its illusion of status based on method of remuneration. Its members, like the wage-earners (i.) insecure in their employment; (ii.) divorced from control of their work; (iii.) exploited in the interests of profiteering. National Guilds the true goal of all workers, irrespective of class.

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IV

THE MIDDLE CLASS AND NATIONAL GUILDS

THE charge has often been brought against the opponents of Capitalism that the remedies they propose are designed to benefit one class of the community, the wage-earners, at the expense of all the other sections of society. This was particularly urged against early and sentimental Socialism, which painted the virtues of the very poor in as gaudy colours as the vices of the very rich. The common-sense reaction followed, and Gilbert reminded a smiling world that

> Hearts just as pure and fair
> May beat in Belgrave Square
> As in the lowly air
> Of Seven Dials.

To this day the reproach is made that the class-war is an attempt to arouse the poor against the rich and to overthrow society in an orgy of envy, greed, and riot. Nor would this attempt, if it ever succeeded, be a permanent change, for, as is so often said, "If the wealth of the nation were divided up equally among all its members to-day, to-morrow there would be rich and poor again." Which is to say that so long as private Capitalism is allowed to continue, greed and exploitation are the only things certain, even under the most Utopian circumstances!

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The truth, however, about the class-war is that it is a war of industrial parties, not of social rivalries. The class-war is not a contest of aristocrats and sansculottes, of dukes and dustmen; but it is the conflict, sometimes active, more often hidden, between the classes that produce and the class that controls production. This is not identical with the struggle between producers and consumers, so exasperated and embittered by profiteering in industry. It is the war within production, where the classes who produce seek to change for a better the present irresponsible autocracy of the owners of the means of production. As we have seen, the mere progressivist plan of raising wages and salaries and improving the conditions of the producers' work and leisure does not finally mean more than a compromise with the autocracy. Under Capitalism, so long as the capitalists remain the captains of industry, the producers may win better conditions for themselves, but they will not thus be threatening the industrial supremacy of the capitalists. To replace this artificial autocracy by a producers' control of production is not a form of sentimental or envious anarchy, but a return to the natural and decent order of things. In the industrial struggle, there are only two classes—the proprietors and the producers. It is the attempt to entrust authority and responsibility to the hands of the producers, and to destroy the gulf between the two by merging the proprietors into the producers, that is the basis of the propaganda for National Guilds. It is aiming at the rise to industrial freedom of the producers as a whole, not of the wage-earners alone. Manual

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workers, office workers, brain workers—these are all equally producers.

Simultaneously, therefore, with the call to the wage-earners an appeal must be made also to that large and enormously important class of producers known as the "middle class." Their interests are as much concerned in the Guild propaganda as the wage-earners', and it is largely their support which will win or lose the struggle. We shall in this chapter endeavour to suggest that the middle class has as little real dignity under Capitalism as the wage-earners, and that National Guilds are essential to every productive member of society both as a worker and as a free citizen. The midddle class cannot afford to be neutral; still less ought it to side with the capitalists. Its real place is in active and organised alliance with the wage-earners; the two together can make themselves the Guildsmen of the future.

The old error is now happily passing that the wage-earners are Ishmaels with their hands against all the world, and that therefore all the world must range itself against them. It is the capitalists' control of industry for the sake of profit which is the danger to the community; it is against this that all classes should be ranged. Middle class and wage-earning class alike are living and working under the shadow of a profiteering plutocracy. It is for them to join their forces in an industrial alliance which will oust the capitalists from control and itself take over the conduct of industry.

The term "middle class" is a survival from times when the strata of society were based on

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birth or, at least, on easily recognisable functional differences. Nowadays the class distinction is founded almost entirely upon income, although there are certain interesting exceptions to this. First of all, we must notice that the middle class is definitely divided into two parts—the "upper-middle" and "lower-middle" classes. The composition of these two strata is generally understood. The upper-middle class comprises chiefly the leading professions —*e.g.*, medicine, law—the higher ranks of the Services, and, in industry, private manufacturers, wholesale merchants, and the higher administrative grades in wholesale combines. The lower-middle class is considered to consist mainly of the worse organised and remunerated occupations, as well as of shopkeepers and the lower grades of salaried employees both in private and nationalised concerns, especially office workers.

The professions are in a unique position, which is, indeed, half-way on the road to the Guilds. A profession has been excellently defined as a "voluntary association of men who profess or undertake to administer a social function efficiently and responsibly without consideration of reward."[1] Three conclusions are drawn from this definition: first, that the choice of a profession is voluntary on the part of the members; secondly, that the work they do is publicly acknowledged to be necessary and beneficial; thirdly, that, while they count on being remunerated for their work, this is not their chief aim in undertaking it. The fact is to be noted that these three characteristics of a profession are

[1] *An Alphabet of Economics*, by A. R. Orage, 1917, p. 110.

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all implicit in the spirit of National Guilds, whether professional or industrial. We must also consider to what extent the rest of the Guild idea is realised in the professional standpoint. Medicine may be taken as a good example of a modern profession whose members rank among the "upper-middle class." We find that the medical profession in England has an effective monopoly of doctoring throughout the country. In consequence, it has effective control of the methods and conditions in which the service is supplied to the country, and can ensure its own members a secure measure of prosperity and a high social status. Its internal organisation, though not free from rivalries, is sufficiently democratic to assure the equal status of all its members as doctors, and to give each a certain part in the determination of his working conditions. And yet the medical profession seldom realises how near it is to being a National Guild!

Doctors, however, are quite aware of the *facts* mentioned above. They know that they have the monopoly and control of their work, that they are all associated on an equal professional basis, and that they are manifestly performing a public service. But after this comes chaos. The doctors realise the power of their profession, and, as good citizens should, they do usually strive to use it for the public good. At the same time the medical profession has not succeeded in purging itself of a certain instinct of profiteering. In large part this is due to the fact that the doctors are recruited wholly from the propertied classes. The standard and the nature of the preliminary education required, the long and

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expensive apprenticeship, and the heavy initial costs, all make it an impossibility for anyone to enter the medical profession who has not a long purse to draw from.[1] Thus, in seeking to enhance his position at the expense of other classes of society, the doctor is only true to type.[1] It must not, however, be supposed that doctors are willing to sacrifice their professional duty to their profiteering instincts; it is well known that the opposite is more often the case. But wherever doctors have found that their private as well as their professional interests may be served simultaneously, they have never been slow to take advantage of their strength, no matter at whose ultimate expense—even to the extent of threatening a general strike.[2] In this they have shown themselves almost Syndicalist in tendency. They certainly may be proud of their professional morality; but they have yet to attain Guild morality. As a Guild, the doctors' collective responsibility would be such that no trace of profiteering, however well concealed, could co-exist with it.

[1] The curious blend of Guild and capitalist ideas is well shown in the case of the ordinary general practitioner. It is usual for a newcomer, instead of setting up as a new and unsponsored man, to purchase a practice from a retiring doctor. The new doctor expects an annual return in fees, amounting to a certain percentage, upon his purchase money, and his predecessor produces his accounts when he offers the practice for sale. We thus have doctors definitely investing in a practice with the intention of getting from it the largest possible return consistent with professional morality. Yet the practitioner is popularly supposed to be assuming a certain benevolent responsibility towards the inhabitants of his new district, without a suspicion or thought of private profit—or of interest upon invested principal. It is a tribute to the leaven of the Guild spirit among the doctors that this popular notion of benevolent responsibility is, on the whole, maintained.

[2] The doctors for a long while, and on various public and professional grounds, were opposed to the Insurance Act, which without their aid could not be brought into operation at all. Finally, they were offered a capitation fee of 7s. a head of the insured population, on which extremely profitable terms they compromised, and by a majority agreed to withdraw their opposition.

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This medley of Guild and profiteering impulses, so well exemplified among the doctors, is present in varying proportions in the other professions whose members rank both in point of public status and of income among the upper-middle class. When the question arises of transforming these associations into National Guilds, their members profess to assume that the whole matter rests on the continuation of Capitalism in industry. For, they say, "It is this which at present prevents us doctors and other professional men from taking up a Guild standpoint: we see no reason why we should, in the national interest, sacrifice our hope of private profit as long as profiteering is sanctioned for men of our own class and families who happen to be engaged in 'business.'" But this point of view degrades a profession to the level of an ordinary commercial concern. It has always been the pride of professional men that their profession means much more to them than a business means to its promoters. The value, the maintenance, and the dignity of their service are the aims of men engaged in a profession, as of Guildsmen; they expect remuneration, but this is by no means the impulse that leads them to practise their profession and to desire success in it. For doctors, therefore, to look to commerce for a lead and an example is an amazing surrender. It is incredible that the medical profession would permit its members to stoop from service to profiteering; far more properly and probably they might decide to lead the way towards National Guilds. The determination to form a National Health Guild would solve half the internal

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difficulties with which the various branches of the medical profession are now faced, and would immeasurably assist its progress in the future. At the same time this step would recover for the profession all the dignity that has been lost or compromised by its recent errors; it would win the doctors the honours due to pioneers. The determination of the medical profession deliberately to eliminate among its members not only profiteering, but the possibility of profiteering, by forming itself into a National Guild, would strike a tremendous blow at the capitalist system, and would lay securely the foundation of a better system both in professional work and in industry. The medical profession is an active and energetic body with enormous powers for good or for evil. If it decides to throw in its lot with profiteering, or even to countenance it by a careless neutrality, it will help in great part to ruin the nation it might have saved; it will lose its old high public position beyond recovery. But if it leads the way to National Guilds, as it may well do with barely a shade of difficulty, compared with the obstacles which confront the industrial worker, it will make its members public benefactors to a degree that not even they have yet attained.

The value of the Guild idea for the upper-middle class professional is not confined to the doctor. Other examples could easily be brought forward; but to no profession has it as much to offer as to that of the architect, for it holds out to him an alternative to the extinction with which his profession is threatened. The normal trend of affairs to-day is all in this direction. The architect belongs to the

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age of individualism which has almost gone. He has lost his old-time independence. Since the War the private practitioner has almost disappeared; most architects to-day have either left the profession and pursue some other vocation, or are in the employ of the Office of Works or some other Government Department which employs architects. But they are only found in the lower grades of these Departments; the higher positions are always filled by engineers and surveyors, even though at times these should call themselves architects. This means that the architect has been compelled by the force of circumstances to accept an inferior status, and in all probability it is there he will have to remain. For the invasion of every department of industry and life by Government control may well be permanent until the Guild society arises to displace it. This Government control means that private building will be unknown in the future on the scale to which we have been accustomed in the past.

If the architect would escape from this fate, he can do so by joining hands with the building trade to defeat the growth of this tyranny by organising a Guild. The old-time isolation which, before the War, often led the architect to place his faith in architects' registration is now seen to be an utterly futile proposal that does not touch the real issue, since it could not give back to him his independence. Indeed, that independence is gone for ever, and the choice is whether the architect will allow his art to be entirely extinguished by bureaucratic officialism, or will choose to save it by democratising it through the medium of a Building Guild. In that event the

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architect would find his place in co-operating with the workers to re-create traditions of design and handicraft—to bring back, in fact, the mediaeval conditions of building, when every craftsman knew something about the art of design, and when the position of master-builder, who then exercised the functions monopolised by the architect to-day, was within the reach of every member of the building trades.

From the architects whose main interest is in the future welfare of architecture the opportunity which co-operation in the Guilds affords would receive every consideration, for among such men there has been for a generation or more a hope that the Guilds would some day and in some form be restored. It will not be due to lack of sympathy with the Guild idea if there should be any hesitation among these men to join in an effort to establish the Guilds. It will be because, with the consciousness that, owing to the uncertainties of practice, success and failure in architecture depend to such a large extent upon circumstances outside their control, and, inasmuch as they are all to some extent disillusionised men, they have for the most part become sceptics, and are somewhat wary of ideas. The habit forced upon them by the conditions of architectural practice is to wait upon events, and it may happen that they will fail to seize boldly the great opportunity, when it comes, to rid themselves of the yoke of commercialism. The majority of the profession, however, have no high ideals. They are the products of commercialism, for it must be understood that the profession in its present proportions did not arise in

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response to a demand for architecture, but in response to a demand for men to enforce the contract-system. Under the Guilds architects of this type would find a place on the business side, though not perhaps in their present numbers. Those not required would have to find other work to do.

We come now to the upper-middle class in industry. It is represented by the wholesale merchants (such as are not, indeed, members of the plutocracy, the difference being largely one of financial power) and by the higher administrative grades in large enterprises. The heads of wholesale businesses are usually men who combine in themselves the distinct functions of capitalist, technical expert, and administrator in the industry. Such a man is half a profiteer, half a worker. But the former is his main interest—the " main chance "—and his expert knowledge and administrative ability are wholly subordinated to his search for profits. In this way much ability and enterprise, which might well lead a man to the highest positions in a Guild, are lost to the community and devoted only to the maintenance of private profit.

The private industrialist on a large scale, whether he is working for himself alone or for himself and several other capitalists as director or manager, is always a capitalist in industry first and foremost, and a productive worker only so far as he may serve his main profiteering purpose in this capacity. The outlook of the upper-middle class upon industry is indistinguishable from that of the capitalist *pur sang*, and their interests are at one.

The lower-middle class, like the upper, has its

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members both inside and outside industry. There are vitally important professions—teaching, for example—the members of which are ranked in the lower-middle class, simply because, for lack of complete and vigorous organisation, they have not been able to raise their professional standards and their remuneration sufficiently high to place themselves in a superior social status.

The history of the professional organisation of teachers in England is particularly interesting beside that of the doctors. The latter, as we know, by establishing the practical monopoly of their service, have been able to assume both the benefits and the responsibilities of this position. On the other hand, the teachers, highly organised though they are, have not yet achieved solidarity, and for this reason they are, as a profession, as weak as the doctors are strong; indeed, the amazing difference between the positions of the two professions is only too obvious. If the material conditions of doctors and teachers are compared, we find that, with a few outstanding exceptions, the best paid school teacher is hardly as well off as the worst paid doctor. But this is not the point on which we would insist here. It is much more significant to contrast the social status of the doctor and the teacher. Education and healing, as parallel functions, require in theory similar standards of ability and qualifications. In practice, however, there is a very different state of affairs. The doctors have insisted on a high standard of proficiency among their members; the teachers have not been in a position to demand this, and the standard has not been attained. In the same way,

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the doctors have been able to demand for their members great social distinction, both publicly and privately. The teachers, on the other hand, occupy even to-day a low social status, comparable only with that of the doctor in the old days who was also the local barber. Putting aside all question of remuneration, it cannot be denied that the teaching profession occupies the lowest status of any professional body to-day.

The reason for this is not that the teacher's work is unimportant or unskilled, but simply that the organisation of the teaching profession, vigorous as it is, is incomplete. Inside the profession there are bodies representing, and often almost completely representing, certificated teachers, London teachers, class teachers, head teachers, uncertificated teachers, head masters, women teachers in girls' secondary schools, men teachers in boys' secondary schools, non-collegiate certificated teachers, head masters of public schools, assistant masters of public schools, etc., etc. But there has not yet been a successful attempt to organise the teachers in a single body representing the profession as a whole. Nevertheless, just as much as in the case of the doctors, the idea of the unity and dignity of their profession is widespread among all classes of teachers. There is here an exact analogy with the question of craft representation and industrial representation in industrial Trade Unions.[1] The teachers are strongly combined in the craft associations we have just mentioned, but they are weak in not yet possessing any inclusive body which can represent the profession

[1] See below, pp. 112–115.

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as a whole. Excellent as their craft organisations are, these are almost ineffective—because they are sectional. The National Union of Teachers, however, is the nucleus of an industrial organisation, and includes numerous craft associations within its membership; it offers a clear example of the vast increase in strength and influence that is gained by organising on a broad professional basis. Attempts have already been made and have failed, and are still being made (and will perhaps soon succeed), to amalgamate the two preponderant school teachers' associations, the National Union of Teachers and the London Teachers' Association. When this amalgamation takes place—and a register is instituted—the teaching profession will at last find itself well started on the way towards raising its public position and its standard of living to that of the other great professions of medicine and law.

This amalgamation, however, important as it will be, still leaves a vast amount to be done. It would mean the solidarity of practically all the teachers in the elementary schools, but it would not immediately affect the higher grades of the teaching profession. The teachers in secondary schools and in the private and "public" schools for the sons and daughters of wealthy people would still be left outside, as also would the vast numbers of technical teachers and the professional tutors of the Universities. But in the interests both of education and of the teachers it is essential that the whole teaching profession should come into line. If there is to be a gulf between the elementary schools and the other schools and authorities, the inevitable result is, first,

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that the present abominable caste divisions in education—against which all educational reformers are fighting—will be retained and will crystallise; secondly, that the teachers, by being divided, will be ruled by the same circumstances that even to-day make theirs the least respected and worst treated of all the professions. The same process of amalgamation must be carried higher and higher, until the whole educational personnel is included.

What is, then, to be the aim of the organised profession of teaching? The statement has been made, with great truth, that an improvement in the conditions of the teachers' environment will immediately benefit their pupils; for example, a reduction in the number of pupils in an elementary school class, while it lessens the strain upon the teacher, also gives the individual pupil a better opportunity for instruction. However, an obvious gap yawns sooner or later between the mere private welfare of the teacher and his professional responsibility. If indeed the teachers desire to raise their status to that of the doctors and the lawyers, they must be prepared also to save it from the decline in public esteem which in these days is rapidly overtaking those professions in consequence of their supposed reluctance to fulfil their functions in the public interest. In a word, the teachers, in order to assure and maintain the status to which theoretically they are entitled, must put forward definitely as their aim an Educational Guild. The main significance of the Guild idea for teachers is the amalgamation of all educationalists and the unification of the teaching forces without caste distinctions.

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We believe, then, that the Guild idea will commend itself to teachers as a definite aim for their profession. Their position, however, is complicated by the fact that the overwhelming majority of teachers are in the direct service of the State, by virtue of their employment in elementary schools, and that there is a tendency to look to the State to exercise surveillance over the other educational areas also. Is the future of the teachers' profession to be a State service under bureaucratic control? The defects of this arrangement are those that apply to all schemes of complete State control. The *subjects* of education are rightly assumed to be matters of public determination.[1] But the *conditions* of teaching and the staffing of the profession are plainly the province and the responsibility of the Teachers' Guild alone. Unless this is realised by the teachers, their now awakened energy and their latent solidarity will tend to decay into a mere hunt for professional advantage. Their societies will go on wrangling for members and benefits, as they are doing now; the status of the profession will not improve, even if its remuneration is increased. But with the Guild idea before them, teachers may rapidly make up the leeway between them and the kindred professions of medicine and law; should these latter be blind to the public appeal of the Guild idea, the teachers may even surpass them in the claim to public recognition.

We may turn to the Civil Service, in the light of the

[1] There is not space here to enter upon a discussion of the respective limits of parental, teachers', and State control, nor does it closely affect our point, which is, that no scheme of education can be successful which is not ratified by an Educational Guild and entrusted to this Guild of teachers to carry out.

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Guild proposals. The Civil Service is not a homogeneous body, nor an exclusive and clearly defined professional caste; its members do not belong as a whole either to the upper-middle or to the lower-middle class, but to both. They range, for example, from the manipulative staff of the Post Office—the sorters and postmen—to the permanent chiefs of the Treasury and the Foreign Office who frame budgets and treaties. Between these classes is set a variety of supervisors (or foremen), clerks, technical officials, executive officers, and departmental secretaries. Hence the unity, the specialised skill, and the traditions of a profession are lacking in the Civil Service.

This diversity of education, outlook, and function is reflected in the history of Civil Service agitation and the growth of Civil Service organisations. Each class in the Civil Service has combined, or failed to combine, within the limits of its common duties and common grievances. Indeed, in the attempt to organise a Civil Service Federation comprising associations both of salary-earners and of wage-earners the difficulty was to find a common standard of grievance; the hardships of a higher group are sometimes the practical ideal of a lower grade. While there is no essential ill-will on either side, the two groupings of salariat and wage-earners in the Civil Service represent a real division of immediate aims and economic position. In the end the Civil Service Federation has become representative almost wholly of the postmen, sorters, and other manipulative workers—*i.e.*, the wage-earners—while the bodies representing the clerical workers—

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i.e., the salariat—have combined to form the Civil Service Clerical Alliance. There is not as yet much evidence of the spirit of an all-grades movement in the Civil Service, and such a spirit is not likely to spring up while the postmen and the sorters take no interest in the demand of the Second Division Clerks for improved status and a title to promotion, on merit, to the highest posts, and while the Second Division Clerks show only an academic concern for the postmen's claims to higher rates of remuneration and better conditions. This sectionalism is the penalty of building upon "grievances" and not upon positive ideas.

Above both these organised sections is the Staff Clerks' Association, which includes in its membership various grades of supervising and executive officers in receipt of annual salaries ranging from £250 to £600, and upwards. This association brings together men who have nothing in common but their salary scale; its members may be chemists in a Government laboratory, accountants, Labour Exchange officials, or staff clerks in the Admiralty. In this association, as well as in the Civil Service Clerical Alliance, however, there is a certain professional spirit, and it is tending to develop into a federation embracing various societies, each formed on a specialist basis, and to confine its massed activities to such general questions as the control of the Treasury over the Civil Service and the lack of control on the part of Civil Servants over the examinations by which the different grades are recruited.

The question of Treasury control in the Civil Service is perhaps the only subject in which all Civil

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Servants seem to be equally interested. It may be that the fight against what is regarded as a harsh and inefficient autocracy will bring about unity among bodies that are as yet conscious of no other mutual aim. The Treasury is the overlord of the whole Civil Service; it authorises the staffing of the departments—apart from the privileged irresponsibility of the new War Ministries; it has the right of veto over all promotions; and it lays down the general rates of pay and conditions of service. The Treasury, in fact, is the Civil Servant's employer, and it acts like an ordinary dull employer in paying its servants the lowest possible wages on a competitive basis. The new demand of the Service is that the control of the Treasury should be replaced by the management of a Board on which the different classes and grades should be represented, together with the Government of the day as the representative of the taxpayer. It is proposed that this Board should become responsible for such things as Civil Service organisation, the regulation of hours and holidays, the settlement of questions of pay and the control of entrance examinations. The activities of the Board would be subject to the usual forms of Parliamentary scrutiny. This constitutes a definite claim by the Civil Service towards self-government, subject to the general will and interest of the community, and as such it is of immediate interest to National Guildsmen.

We may now come back to industry and consider the position of the lower-middle class in it. This class is commonly supposed to be leagued with the capitalists in the economic struggle, and opposed to

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the wage-earners in their struggle for freedom. It is necessary to consider why this is the usual opinion and why, in the Guildsman's view, it is erroneous.

First of all we may consider the position of the private enterprise whose head is a member of this class. The private head of a wholesale firm is considered to belong to the upper-middle class; the shopkeeper is a member of the lower-middle class. But the private retailer is tending to disappear. Combinations of wholesalers are formed which, with the actual purpose of cutting down costs and monopolising sales, but with the public plea of eliminating the "profiteering middleman," contrive to get control of both the buying and selling markets of their trade. The retailer in this branch of industry finds himself practically cut off from his materials, and in addition he is deliberately undersold by the combines in the market where he brings his products. At the end of this process, as familiar here as it ever was in America, the private retailer finds himself forced to surrender to the combine and to administer as its salaried employee what used to be his own private business. Despite appearances, the class-struggle is nowhere becoming more swiftly defined than in the distributive trades. The shop-assistant, once spurred to exertions by the hope of becoming a small shopkeeper and "putting up his own shutters," is now beginning to realise that, if he ever does start on his own account, there is only too much chance that the great multiple "house of business" will put up his shutters for him and drive him back into wage-slavery. The private retailer of to-day is the salaried employee of to-morrow; in treating

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now of the salaried employee class we are, therefore, in effect dealing also with the disappearing class of private retailers.

Why is it that the "salariat"—as, for convenience, we may call the salaried lower-middle class employees—consider that they are the natural allies of the capitalists against the wage-earners? Several reasons have been suggested to account for this. Not least is the power of pure snobbishness, which makes a clerk, earning perhaps thirty shillings a week, think himself socially the superior of a mechanic earning double this amount. It is the notion that "brain work" is essentially superior to "manual labour"; but, surely, this distinction disappears when we consider that the brain work in question is never much more than totting up figures and addressing envelopes, while the mechanic may be engaged on the most delicate and difficult manual work. However, the clerk does feel superiority, and we must take notice of this rather shoddy snobbishness—now happily disappearing—as one ground for his inclination to side with the capitalists against Labour. A far more powerful argument for the salariat's siding with the capitalists is the manner of his payment. A salaried employee is properly one who receives remuneration, not by the hour or day, but by the year, month, or week. Hypnotised by the round "O" in the figure of their pay, the salariat feel that they really are important members of the industry. They are not in danger of summary dismissal, since they are assured of a week's or a month's or a year's notice before they can be thrown out of employment. They therefore feel a certain

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intimate sense of partnership with their employers. Secure in the conviction that they " belong to the firm," they fall unconsciously into the delusion that the firm belongs to them, and even enjoy all the sensations of proprietorship though they attain to none of its rights. It is a form of megalomania, encouraged, if not caused, by the unnaturally centralised conditions of capitalist industry.

Now that we have seen some of the grounds on which the salariat claim under Capitalism to occupy a higher status than the wage-earners and to resent any attempts of the latter to abandon the system, let us see how far this superiority is real and how far imaginary. We know that, from the point of view of the wage-earner, Capitalism has certain enormous defects, which the establishment of National Guilds would remedy. These are, briefly, that Capitalism denies the worker security in his occupation ; that it divorces him from control over the industry, or even his own work therein ; and that it forces him to engage in work not for the advantage of the community, nor even for his own, but for the profits of the capitalists.

How do these considerations affect the salariat ? We are not speaking here of those fortunate salaried employees who have large personal interests in the profits of industry—they, as we know, belong to the upper-middle class, which is an annexe of the capitalist class. But, apart from these, in what respect are the salariat really better situated under Capitalism than the wage-earners ?

Is the salaried employee secure in his position ? For a week, or a month, or a year—yes ; but for no

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longer. A year's contract is a year's security—no more. It is not security for life. The salariat are indeed comparatively more secure than the proletariat—but neither of them is truly and ultimately secure! They stand on the same treacherous ground, liable to dismissal at the will and the discretion of the capitalists.

To take the second point, has the salaried employee any more share in the control of the industry and of his own work in it than the wage-earner? The answer is that neither salaried employee nor wage-earner has the least real control in these respects; both are wholly subject to the decisions of the capitalist and his direct representatives.

Thirdly, has the salaried employee the advantage over the wage-earner in being able to refuse to engage in production for profits and to insist that his services shall be utilised in the public interest? No, the profiteers do not care a snap of the fingers for the conscience and qualms of their salaried employees. If any member of the salariat is dissatisfied with the conditions of his work, he has the full permission of the capitalists to throw up his job—if he dares—and to fare as best he can. When an under-manager or a clerk loses his work, he has the opportunity first of all to run through his own small savings; after this he must starve in destitution like any of the wage-earners whom he despises.

The truth about the salariat is that they have not and never had a fundamentally better position in industry than the wage-earners. All their snobbishness, all their pride in being a superior force in industry, all their fancies about security and privileges—all these

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notions are based on the most inexact social vision. The profiteers have always exploited the salariat, and, by setting them against the wage-earners, have divided their exploited employees and ruled them more easily. The wage-earners have retorted on the salariat by calling them the "black-coated proletariat," but this has led to no greater harmony between the parties! When the wage-earners' associations attempt to force up wages, the profiteers promptly raise prices, and explain to the exasperated salariat (who are usually too timid and too gentlemanly to agitate for higher salaries[1]) that the increased cost of living is due to the selfishness of the wage-earners.

With the crystallisation of Capitalism into the Servile State, the salariat are seeing their last dignities taken from them. The capitalists despise them for their pretence of partnership in industry; the wage-earners hate them for their truckling to the capitalists. Meanwhile, prices are rising, and so to some extent are wages, but the purchasing value of salaries is decreasing steadily. The time has come for the salariat to break with their old notions. They have nothing to expect from the Servile State except isolation and servility. The only alternative is for them to throw in their lot with the other exploited class, the wage-earners. But if this combination is to be passive, the salariat have nothing to gain except friends in adversity. The National Guild

[1] An interesting exception to this general rule was the action of the China mercantile marine officers in 1915. Working entirely on the militant lines of a Trade Union or a profession, these officers struck work for better pay and conditions, much to the amazement and indignation of their employers. Their strike was entirely successful.

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idea, however, at last gives a basis for active co-operation between the "brain" workers and the manual workers.[1]

The wage-earners could not successfully conduct industry without the collaboration of the grades who compose the present salariat. But the two together form so compact and so strong a force that they can easily bring Capitalism to bay. The highest grades in industry—by which we mean the highest productive grades (administrative, expert, etc.) and not the profit-seeking capitalists—could not long stand aloof from this vast industrial army. The abilities and intelligence of the "captains of industry" are much exaggerated, especially by themselves; it is their subordinates, the managers and the foremen—the subalterns and non-commissioned officers of industry—to whom much more is due than usually appears. Once the cleavage in industry is closed below, between the wage-earners and the salariat, and opens above, between the salariat and the directorate, the doom of Capitalism will be sealed. Subaltern and non-commissioned officers can easily undertake the duties of captains immediately, even if privates cannot. The possibility and the promise of such promotions would rapidly transform an industrial alliance of salariat and wage-earners into a Guild. Then the "captains" would be able to show if they were worthy of their rank or not; they would not retain it if they were not. Nor would it ever be the same as it was before, an irresponsible autocracy; for the new "captains"—that is, the

[1] For a consideration of this point from the Trade Union side, see below, chapter v., pp. 194–199.

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master craftsmen—would be Guildsmen like the rest. They would be masters of their craft, not masters of their men.

The first condition, then, of the success of the propaganda for National Guilds is that the breach between the wage-earners and the salariat should be closed. The war for the abolition of Capitalism and the creation of National Guilds offers the workers, " middle class " and " lower class " alike, their last remaining hope of attaining freedom and dignity in their work. Instead of being, as they are now, two unfriendly classes, divided by an artificial barrier of snobbishness and suspicion, they would all equally be free and self-respecting National Guildsmen.

National Guilds are the hope of all the workers—not of the manual workers alone. Only by the co-operation of all grades in industry at present subordinate to the capitalists can the Guilds be made. Once this agreement is a fact, the workers will be combined in a single class of producers, which may rapidly supersede all the false and foolish antagonisms of to-day.

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CHAPTER V

TRADE UNIONISM AND BEYOND

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The destiny of Trade Unionism. A crusade or a conspiracy? Attitude of employers: the new "Syndicalism." Attitude of the State: the Munitions Act. Is the Wage-system a national institution?

1. The Meaning of Industrial Unionism

The Labour "movement": its haphazard growth; its confused aims. The "Army of Labour": a misleading analogy. Some significant details. The past of Trade Unionism: Robert Owen; the "kindred-craft" Union; the rise of the unskilled labourer. The challenge of Industrial Unionism: its value (i.) as a weapon in the class-struggle; (ii.) as the framework of the Guilds. Varieties of structure among (i.) Craft Unions; (ii.) "general" Unions. Industrial Unionism and "Employment" Unionism: nationally, claims of the N.U.R.; locally, the Plant Committee. Craft and departmental representation not incompatible with Industrial Unionism.

2. The Reconstruction of Trade Unionism

I. The creation of a central co-ordinating authority. The Trades Union Congress: its weakness; causes and remedies. The General Federation of Trade Unions: its objects and its decline. The Triple Industrial Alliance: its origin and history; its basis in Industrial Unionism; its possibilities in the future.

II. The co-ordination of Trade Union activities locally. The Trades Council: its functions and potentialities; need for its reorganisation.

III. The founding of Trade Union organisation on the workshop. Vital need for stimulating the Trade Unionists' initiative. Failure of branch organisations by locality. The Shop Stewards movement: its significance; the need for its reconciliation with official Trade Unionism.

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IV. Amalgamation. Its achievement from below in the workshop. Obstacles to its attainment from above: (i.) official; (ii.) craft; (iii.) financial; (iv.) legal. The method of "Confederation."

V. The general labour Union. Recent tendency to amalgamation and closer unity; dangers of this. Industrial Unionism and the general labourer. Increase of the "semi-skilled" worker. Possible conflict between skilled and unskilled over restoration of Trade Union conditions. The true function of the general labour Union: a "clearing house." The demands of solidarity.

3. The Future of Trade Union Policy

The "right to strike." The menace of Compulsory Arbitration. State intervention and the "impartial person." The machinery of negotiation: its use and abuse. N.U.R. conciliation schemes. Negotiation as a means to control. Compulsory Trade Unionism; dangers of its imposition by State and employers. The blackleg: the expediency of his coercion. "Encroaching Control": "invasion, not admission." Workshop rules. The Collective Contract: its possibilities as an instalment of control. "Direct Dealing": a Liverpool Dock proposal and its opportunities. The Theosophical Society's contract in 1914 with the London Building Industries Federation. The control of officials: Shop Stewards and Foremen. Possibilities in the mining industry. Relations with the salariat: their shortcomings and an apology for them. The appeal of the Guild idea.

Discipline and democracy. The function of leadership.

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V

TRADE UNIONISM AND BEYOND

THE nineteenth century dreamed many dreams of democracy from which its heirs are now awakening, but one solid achievement remains to console their disappointed pillows. That achievement was the creation of Trade Unionism. Its preservation as an independent force, free alike from the control of State and capitalist, is the principal hope for society to-day. Its future is in debate; but the true path for Trade Unionism is the path of responsibility and freedom, or, in other words, the path to the Guilds. The "continuous association of wage-earners for the purpose of maintaining and improving the conditions of their employment"[1] must transform itself into an association of workers for the purpose of abolishing the wage-system and assuming the control of industry in conjunction with the State.[2] This is the only future for Trade Unionism which is consistent with the liberty and self-respect of the workers and the health and safety of society. The alternatives are tyranny or servility, or even a

[1] The classic definition of a Trade Union by S. and B. Webb in their *History of Trade Unionism*.

[2] "Trade Unionism was the egg which Liberty laid in Capitalism to destroy the wage-system. It is of no importance that the early Trade Unionists were unaware of the function Trade Unionism was actually created to perform. We do not expect an egg to crow."—A. R. Orage, in *An Alphabet of Economics*, p. 153.

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shameful compound of both. But a Trade Union can only become a National Guild when it has wiped out the dishonour of wage-slavery. To that end, and to nothing less, it must consecrate all its endeavours; to that end it must seek the industrial framework by which the victory over the capitalist can alone be won and the Guild at the same time be prepared for the mission of conducting the industry with which it is concerned; to that end the Trade Union must seek to win both the unskilled of which it has been too often contemptuous and those "brain workers" who have been, with equal foolishness, contemptuous of it. However much the statesman could do to foster the Guild, the public to welcome it, even the truly far-sighted employer to prepare it—all these efforts, even if we could count upon them, would be fruitless unless the Guild is built up by the workers on the foundations they have themselves prepared. The Trade Union movement, therefore, is not a matter which concerns the workers alone, as some even of its most zealous champions contend; it is in the fullest sense a matter of national interest. Apart from it no free society can be constructed—far less "reconstructed"; and it is therefore of the greatest importance that we should try to understand its problems and appreciate its tasks.

And yet to many readers the attempt to do this will doubtless seem a strange one. To them Trade Unions appear as silent, aloof, and rather mysterious bodies with "anti-social" tendencies which they exhibit by sudden strikes and "impossible" demands. To the ordinary member of the public

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the strife between Capital and Labour seems merely a hunt for the spoils of industry in which he does not feel called upon to be particularly interested—save as an exploited consumer! Let the wolves rend one another; he feels scant sympathy for either, since each, he believes, is likely to turn on him for compensation for its wounds. And while the struggle rages within the wage-system, the utmost sympathy the worker is likely to get from the public is support for the abolition of sweating or perhaps for the establishment of a minimum wage. But let the struggle be declared *against* the wage-system itself, and the Labour movement will be able to make its appeal to the outside world with a far greater prospect of success. It is much to be hoped that Trade Unionists, in proportion as they become clear about the status which their associations must justly claim in the society of the future, will throw off the policy of "splendid isolation" and seek to take the public into their confidence against the capitalists. For by their doing so his flank is turned, and the passive support which many give, ever more grudgingly, to the claims and superstitions of Capitalism will be withdrawn for nobler uses. The Guild idea gives a purpose to Trade Unionism which all can understand and which will appeal to many irresistibly. It will provide a unique opportunity to the workers' leaders, if they will but embrace it, to proclaim their movement to the world not as a conspiracy, but as a crusade!

This is the more important since the situation admits of no third alternative. Unless Trade Unionism recognises itself as a crusade for the

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redemption of society, it will sink into being a conspiracy for its exploitation. In saying this, we are not thinking of those plots and machinations of proletarian desperadoes which haunt the dreams of a terrified plutocracy fearful of its treasures, or even of that "ferment of revolution" unveiled with calculated solemnity by the *Times* as a pretext for the suppression of "labour unrest" by a "show of firmness" on the part of the Government. The conspiracy of which the Trade Unions may become accomplices will be the result not of revolutionary ideals, but of their suppression and defeat. It will arise from the refusal of the governing class to add responsibility to power. The power of the great Trade Unions to-day is enormous. It can never be forfeited unless it is surrendered; its explicit surrender would mean the acceptance of industrial slavery, against which (and we have every reason to be thankful for it) the spirit and the resolution of the bulk of organised Labour is our surest guarantee. Yet it is not the surrender of that power, but its seduction for unworthy ends, that offers the best opportunities to those who are seeking the aggrandisement of plutocracy and a servile solution to the problem of the class-struggle. The Trade Unions are being counselled by many of our most "responsible" writers on industrial affairs, and notably by the "great" employers—whose appearance in the public Press is an increasingly monotonous feature of modern journalism—to give up any idea of saving themselves from wage-slavery and society from exploitation, and to take a hand with the "captain of industry" at his congenial

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job of fleecing the public. The suggestion is, of course, decently veiled, and may even be absent from the minds of those who are responsible for it; but the danger is not absent by any means, and there is only too much evidence that the profiteer of to-day will be ready to "sink his differences" with the Trade Unions if he can but induce them to compound the felony of Capitalism by taking a hand in it on terms mutually to be agreed upon. This is a far more perilous form of "Syndicalism" than any of which the Press has so far thought fit to warn the public—more perilous, not only because it would be more easily achieved, but because it would be far more degrading to the nation that accepted it than any experiments in "producers' control" by the workers themselves. If the Trade Unions can be betrayed into abandoning their struggle with Capitalism in return for an explicit understanding to share in its gains, not only will plutocracy have vanquished freedom, but it will have defeated society as well. The public will suffer, in their capacity as consumers, for the servility which they have shown as citizens to the princes of industrialism and the lords of greed and gain.

We are aware, of course, that an argument commonly put forward in support of a partnership between Labour and Capitalism is that by this means the irresponsible power of Trade Unionism would be modified by an extension of responsibility to the workers, who, if they were given a "share in control" at the employer's discretion and a few workshop committees to play about with, would be thereby diverted from endangering the nation's security by

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ambitious ideas of improving their status at their master's expense. We shall have to deal with this point when we come to the consideration of those reconstruction proposals which are based on it. Meanwhile we will only reply that the essence of Labour's growing demand for responsibility is that it should be recognised as responsible to the community, not to the capitalist. The employers may hope to find in the Shop Steward a prefect after the public school model, to which they are accustomed, but to the workers who choose him he stands as a tribune, responsible to-day to no one but themselves. He represents the beginning of the worker's claim, not to a " share in the control " of a profit-making concern, but to instalments of a complete control by the workers of their working life. It is the business of the community to welcome that demand wherever it shows itself, by encouraging the workers' associations in the realisation of the industrial democracy which is their *raison d'être*, and simultaneously to prepare the extinction of those profiteering corporations who exist to frustrate it. By blocking every door to responsibility save that which leads into the counting-house of plutocracy, the community will drive the workers either into a dishonouring and dangerous conspiracy with Capital, or into a blind quest for the spoils of industry. In either case the power of Trade Unionism will have been lost to the service of society and goaded into defiance of the public interest. For the Trade Unions will either abandon their ideals of a free society for a share in the ways and means of profiteering, or they will plunge on their own account into mere campaigns

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of self-interest, aiming at nothing more exalted than higher wages.

It is clear that true statesmanship would do all in its power to foster those ideals of national service in industry of which, though fitfully and half-heartedly, the Trade Unions are almost the sole champions to-day. Instead of this, however, our governors seem far more concerned to preserve the capitalist system sacred and inviolate than to encourage responsibility and self-government in the ordinary worker. This is the more remarkable since the War has emphasised that not only is the nation dependent upon the workers as individuals, but that it needs, further, the willing co-operation of their associations, the Trade Unions. It was to the Trades Union Congress that Mr. Lloyd George declared, "We can win this War with you; we cannot win it without you." Yet he would offer to Labour no nobler status than the miserable rôle to which under the Munitions Act it was condemned. Not merely the terms of that Act but its administration has been a perpetual threat to the independence of Trade Unionism. To its struggles for a higher status and the beginnings of industrial self-government the State, both at Whitehall and through its spokesmen in the provinces, has offered a rigid resistance. The local Munitions Committees were strangled, not because they hindered efficiency, but because they infringed on the autocracy of Capitalism. The attitude to the workers' movements for shop control was one of unbending hostility. At the Glasgow Munitions Tribunal, for instance, Sheriff Fyfe delivered himself thus to a group of strikers

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brought before him: "You have taken up the attitude that a certain Shop Steward is going to manage the works. That is your attitude. You are going to manage the shop; and that is the sort of thing to which the law will give no countenance. I venture to think that not only the law of the land, but also the common-sense of the nation, is against any such preposterous doctrine." The "common-sense of the nation" may agree with the sheriff's indignation, though we are inclined to doubt it; but what is significant in the above outburst is the assumption that the "law of the land" forbids any challenge to the prerogative of Capitalism. Never was there a more blatant departure from the much-vaunted "neutrality" of the State in industrial questions. Is wage-slavery to be reckoned hence-forth a national institution?

On the answer to this question very much depends. If the State identifies the future of industry with the future of Capitalism and assumes the wage-system as a "permanent hypothesis,"[1] then it will challenge decisively the hostility of Trade Unionism and force the class-war upon the workers from above. Nor can there be any doubt that such a challenge would be accepted by all the most courageous and independent spirits in the ranks of Labour. We are too apt to accept as the voice of the workers the servile accents of a few leading figures—or rather, figure-heads—of the Labour movement. The Labour pensionaries of the Government, and Trade Union secretaries, long superannuated in everything but

[1] This excellent phrase we owe to Mr. S. G. Hobson. See his *Guild Principles in War and Peace.*

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fact, may rush into print to repudiate the suggestion that the workers have profaned themselves with revolutionary ideals. But we should do well to look a little further before we accept their assurances that the workers "know their place" and mean to keep it. There are other leaders of Labour who, if they are less notorious, are not less representative. One such has pronounced his verdict on the principal issue of modern industry in two blunt and uncompromising sentences[1]:

> Acceptance of the inferior status of wage-labour is impossible. In that direction Trade Unionism has no future.

We may accept his verdict if we add the qualification, "Compatible with the dignity, liberty, and self-respect of the worker." The very phrase, the "Labour movement," is a denial of the idea that the industrial situation can be crystallised in the form—or in anything similar to the form—which it takes to-day. The "movement" to which the workers are committed by all their moral aspirations and all their economic instincts is a movement away from the wage-system; and if the State attempts to arrest that movement by an alliance with their enemies, it may provoke a social conflict fatal not only to the true interests of society, but to its own existence.

§ 1. The Meaning of Industrial Unionism

We have stated the essential aim of the Labour movement and the consequences to society which are

[1] Mr. J. F. Armour (Organising Secretary, United Operative Masons of Scotland). See *Industrial Reconstruction*, p. 107.

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involved in its attainment and in its defeat. But when we turn to consider the Labour movement itself, we must not expect to find either that this aim is clearly understood by it, or that an appropriate structure exists to achieve its realisation. Indeed, it would be difficult to say which was the more lacking—the clear consciousness of Labour's true destiny, or the machinery by which that destiny might be attained. This twin failure is essentially a single problem. It is just because the British Labour movement has grown up at haphazard, confused as to its aims, vague as to its immediate tasks and possibilities in industry and in politics, content to regard "solidarity" as merely a sentiment, and never able to determine whether it had a "world to win" or merely a wage to earn, that it presents to us the sorry spectacle of jealousy, muddle, and incompetence which is the despair of its friends and the secret delight of its opponents. The Labour movement has yet to be made. The term is used to-day to cover a dozen conflicting strains of thought and hundreds of quite unco-ordinated activities. We sometimes hear talk of the "movement," as if the workers had made up their mind upon the industrial and social future they sought and were consciously moving in a united fellowship towards a certain goal. But the idea is a foolish figment of the sentimental progressive and an absolute caricature of the facts. The structure of Labour's organisation has been unpremeditated; its functions as an industrial force, as a political party, in the field of Co-operation and in the spheres of insurance and benefit, are but dimly understood and clumsily

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worked out. Suspicious of theorising, the workers have fallen victims to sentimentalism, and their "movement" is still groping after the Alpha and Omega of conscious will—a principle from which to start and a goal at which to aim. We may tinker as we will with the crazy framework of "industrial democracy," but unless we are resolved upon these our patchwork will be vain. We shall never see a Labour movement worthy of the name until the workers—or a substantial proportion of them—repudiate the wage-system and strive towards the Guild.

We are concerned in this chapter only with the industrial aspect of the Labour movement, or, to be more accurate, with the present and future of Trade Unionism. And here we must be on our guard against falling into the delusion that we shall be dealing with defiant organisations of class-conscious proletarians. The inversion of that academic abstraction, the "economic man," has led astray the revolutionary Socialist in his writings on Trade Unionism, just as the original abstraction betrayed the "classical" economists and the myth of the "noble savage" deceived the philosophers of eighteenth-century France. The workers' associations may testify to the existence of the class-struggle, but they were not built up in order to prosecute it. We are all familiar with the cliché which describes Trade Unionism as the "Army of Labour"; but it is an army which has never determined whether to fight for its own territory or merely to mutter (to its enemies!) for its keep, an army which experiences its hottest combats in the struggles which it wages within itself, an army whose

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commanders lead their forces from behind, and find it less exciting—if more profitable—to themselves. The outsider who begins to study Trade Unionism is astonished by the feuds and rivalries, the muddle and overlapping, the apathy and carelessness, which he finds. He is puzzled that the innumerable suggestions and improvements which suggest themselves immediately to his common sense, and appear so glaringly obvious, have not been adopted ages ago. His experience perhaps of the practical intelligence and sound instinct of the British artisan has led him to expect something very different from the confusion, amounting at times to chaos, which he meets. The explanation is twofold. It lies partly in the fact that, deceived by the framework of Trade Union Congresses and General Federations, he is regarding as a homogeneous whole something which is an agglomeration of very diverse units—diverse in strength, diverse in organisation, diverse even in aim—and partly, too, in the circumstances of the history of British Trade Unionism, which has passed through successive and quite inconsistent phases (all of which have left traces behind them), and which to-day, perhaps more than ever, is in process of transition. We may accept Mr. Orage's excellent definition of Trade Unionism as the "egg which Liberty laid in Capitalism to destroy the wage-system," but we must not count our chickens before they are hatched. It is impossible to expect the application of general principles in a world of labour that is devoted to the vested interests of general secretaries.

A few commonly quoted facts will suffice to show

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the disorganisation in which Trade Unionism is plunged. There are in these islands more than 1,100 Trade Unions; in engineering alone there are 155; in building, no fewer than 65. There are 45 Unions catering for postal workers alone. Moreover, there were, even before the war emergency flooded industry with the labour of women and "juvenile persons" to a degree hitherto unparalleled, as many as six million workers remaining to be organised, even if we exclude agriculture and domestic service from our calculations. A moment's reflection will show the enormous waste of energy, as well as the need for it, which these facts reveal. The picture is black enough, but in order to arrive at a true grasp of the situation there are compensating factors to be taken into account. Of the four and a quarter millions of Trade Unionists, 2,208,000, or almost exactly half, are organised in the thirteen largest Trade Unions catering for artisans—each having a membership of over 50,000—while the three largest general labour Unions account for another 600,000 more; thus almost exactly two-thirds are organised in the sixteen principal Unions. Again, about 700 of the 1,100 or so Trade Unions are local or single-branch organisations. Throughout the railway industry there are only five Unions altogether,[1] whereof three alone are of any importance; the vast proportion of miners are organised in a national federation of a sufficiently close character to provide a most valuable nucleus for a

[1] This is, of course, omitting the railway shops, where the conflict of Craft Unions not only with each other, but even more with the Industrial Union, the National Union of Railwaymen (the N.U.R.), raises one of the most characteristic problems of modern Trade Unionism.

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Mining Industrial Union. The iron and steel trades have recently provided a most interesting example of a confederation paving the way for the abolition of sectionalism and competition for members; the boot and shoe trade, whether or not it is correctly defined as an "industry," is well organised, with little remaining to be done in the way of amalgamation; while agriculture—though here, of course, the work of organising still to be done is enormous—has so far escaped the evils of competing Unionism and sectional rivalry.[1] The task of Trade Union reorganisation is a huge one certainly; the situation, however, is not so bad as despondent spirits have sometimes pictured it.

But the problem of Trade Union structure does not consist merely—nor even, perhaps, principally—in organising the worker in his "appropriate" Union. It consists more often in discovering what that appropriate Union is, in determining the principles on which it should be founded, in eliminating its rivals if it be already in existence, and in setting about to create it—in the teeth, be it remembered, of a rooted conservatism and powerful vested interests—if it is not. Before we can appreciate these cardinal problems of structure, it is necessary to glance at the past of Trade Unionism to see how its present structure has come about. We cannot attempt more than the most hasty outline of a subject deserving of the closest study, but it is necessary to know something of the ideas which

[1] There are signs, however, that it may not continue to do so. An important general labour organisation—the Workers' Union—has entered on the task of organising workers on the land, and disputes with the Agricultural Labourers' Union are already foreshadowed.

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determined the framework of yesterday before we can appreciate the problems of to-day.[1]

The essential, though often the unconscious, aim of Trade Unionism runs right through its history from Robert Owen to Robert Smillie—the claim to become responsible partners with the community in the control of the nation's industry. That aim, so long stifled and driven underground, was definitely proclaimed by the revolutionary Unionism of the later thirties; indeed, what was valuable and true in the teaching of Owen is too often discounted and forgotten, buried beneath the ruins of the clumsy structure of his "Grand National Consolidated Trades Union." Before the ideal of the *Trades* Union could be attained, the *Trade* Union had first to be built, and in the bitterness of disillusion the workers turned away from ideals altogether.[2] In their efforts to prove themselves "respectable citizens" they forgot that citizenship

[1] It must be understood that in our sketch of Trade Unionism in this chapter, and in the criticisms we may pass upon its shortcomings in the past and at the present day, we are treating of it only in relation to the Guild idea which the purpose of this book is to explain. If we say nothing of its struggles to gain recognition by the law and at the hands of the employers, or of its efforts to raise the workers' standard of life, it is not because we do not realise the magnitude and the value of what has been achieved in this respect, but because we are only concerned to deal with those aspects and activities of Trade Unionism which are capable of raising the status of the worker and preparing the foundation of the Guild.

[2] "It is not too much to say that, crossed in early youth in its love of revolution, Labour had taken the vow of celibacy, and refused to mate with any idealistic movement. The revolutionary Unionism of the time of Robert Owen moved prematurely out to battle, and suffered ignominious defeat: to those who survived its downfall the only possible course seemed to be that of saving the relics of the Trade Union army by turning it into a sort of civil guard—by abandoning every form of militancy and confining its activities wherever possible to peaceful negotiation with the employers. All thought of ending Capitalism was banished from the Trade Union world."—G. D. H. Cole, *Self-government in Industry*, p. 101.

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is the privilege of the free man and is impossible for the wage-slave. With the advent of the mid-Victorian era we find the growth of Trade Unionism attended by typically mid-Victorian characteristics —solidity, caution, complacency, and an ideal of comfortable respectability. It is to this period that most of the principal Unions in the engineering and building industries date their origin, and they still obstinately reproduce the structure and ideas of that day. The greatest achievement of that time was the foundation in 1851 of the Amalgamated Society of Engineers (the A.S.E.), the first example of a great " kindred-craft " Union, including in a single body artisans engaged on a number of diverse skilled processes in the engineering industry. This was reproduced to some extent in the building industry by the formation in 1860 of the Amalgamated Society of Carpenters and Joiners. But, though the next quarter of a century was in many ways an eventful one for Trade Unionism, no fundamental change in its outlook or in its history is to be recorded until with the end of the eighties came the great London dock strike and the attainment of what had been hitherto held to be impossible, if not positively undesirable—the permanent organisation of the general labourer. Trade Unionism passed at a bound from being the close preserve of the " aristocracy of labour " to being a class movement of compelling claims and vast possibilities for even the humblest of wage-slaves.

The despised " unskilled worker " thus established his claim to a share in the Trade Union movement ; but a more important victory remained to be won

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before that movement could arm itself for its true task of emancipation. The general labourer had gained his place in the Trade Union *movement*; he had next to gain a footing in the Trade Unions themselves. Organised apart, his position might still justify the view that the working class as a whole had no fundamental solidarity of interests and no common destiny to strive for side by side. While the motto of Trade Unionists was still "Defence, not Defiance," the skilled man might keep his jealously guarded Craft Union for defence against the employer, and reserve his defiance for the less fortunate among his fellow proletarians. But with the realisation and acceptance of the fact of the class-struggle, and, still more, with the growing consciousness that Trade Unionism had for its true end not merely to destroy Capitalism, but to replace it, a new phenomenon was bound to emerge. This was the Industrial Union. It was already foreshadowed by the appearance in 1893 of the Miners' Federation of Great Britain, and it arrived definitely twenty years later by that amalgamation of railway Unions in 1913 which established the National Union of Railwaymen (the N.U.R.).[1] Just as the A.S.E. was the "new model" of Trade Unionism in the nineteenth century, so the N.U.R., with its uniquely representative character, its admirably balanced constitution, and its share in the

[1] The substantial truth of this statement is not affected by the independent existence of Unions for drivers and firemen and for railway clerks, or even by the question of whether the railways constitute an "industry" apart from other transport. See on the whole subject, *Trade Unionism on the Railways*, by G. D. H. Cole and R. Page Arnot.

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great Triple Industrial Alliance,[1] is unquestionably the new model of the twentieth.

Industrial Unionism stands before the world of Labour as at once a challenge and a clue—a challenge to the wage-system, and a clue to the economic structure which must replace it. It proclaims that, whatever the interests which divide the workers in one section of an industry from those in another, there is one compelling interest which must transcend all others—a recognition of the common fraud and shame of exploitation by the profiteer. It provides, moreover, the sole framework on which a true democracy in industry can be built up. For all those who accept the fact of the class-struggle not only does it furnish the means of victory, but it foreshadows the goal. The Industrial Union unites the workers in every industry to free themselves and to free society at the same time from the tyranny of Profit; it unites them to govern themselves and to serve society in the Guild.

Let us not be misunderstood. The mere acceptance by Trade Unionists of a change in the structure of their associations will not in itself necessarily achieve anything fundamental. No change will do that which is less than a change of will. But the adoption of the industrial structure, though its true aims may be obvious at first only to the few, will enable the many to catch a glimpse of those aims which would have remained impossible to them while they were tied to the narrow tether of Craft Unionism. The change of structure will in itself provoke a change of will. For consider the implications of the

[1] See below, pp. 131–139.

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distinction! The Craft Union took for its basis the process on which a man was engaged. It did not ask him to think of the industry or service to which he was contributing; it did not suggest to him that he had interests outside the preservation of the rates and conditions under which he worked at that process, or obligations to those without whose labour, however unskilled, there could never result the finished product. The Craft Union organised the workers roughly on the basis of a common wage, not of a common wage-slavery. Moreover, it provided no organ through which the workers could exercise a positive and responsible control over industry, even if they aspired to such a thing. It is true that Craft Unions may federate with one another, and that in many cases they have done so; but such federations, while they may provide for common action, cannot undertake it in advance without grave risk of their undertaking being upset. No federation of Craft Unions, still less a federation which contained conflicting and overlapping Unions, could offer to the community such a satisfactory guarantee of efficient service as would allow that federation to be recognised as the natural and responsible authority for the industry which it covered. No one in his senses, we imagine, however enthusiastic a believer in the doctrines of self-government in industry and producers' control, would dream of handing over the responsibility for even the manual side of the British engineering industry to the Engineering and Shipbuilding Trades' Federation.[1] But when the N.U.R. has

[1] The suggestion is particularly ludicrous now that the Amalgamated

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carried through its far from improbable amalgamation with the Railway Clerks' Association, and has settled its differences with the locomotive men who remain at present outside, the responsibility for the running of the nation's railway service could be thrown upon it at a few months' notice.

The Industrial Unionist asks what a man is making, not how much a week he is making; he asks not merely what a man is working at, but for what industry of service that work is intended. His ideal is not a network of self-sufficient associations of process-workers federating for occasional common action, but a united brotherhood of interdependent workers contributing to a common social function. While the capitalist is the master of industry, he will delight to see those who perform the various tasks which contribute to produce his wealth divided into exclusive little corporations, sundered by caste barriers, and busy only with those interests which divide them one from another. Such a congeries of cliques, with their demarcation problems and their conflicting claims, will be too busy quarrelling among themselves to quarrel much with him; and their clumsy multiplicity could not infringe his efficient autocracy, even if it desired to do so. But the employer, faced by an Industrial Union, with the workers united in the workshop and ready not only to claim his functions from him and his officials, but to assume them themselves, would be in a very different case. He would find his territory

Society of Engineers, by far the most important Union in the industry, has withdrawn from the Federation. But the argument would, of course, have held good had the withdrawal of the A.S.E. never taken place.

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threatened not merely by grumbling rebels who, when they could not be induced to fall out among themselves, could at least be counted upon to exhaust themselves in wasteful forays, but by a disciplined army of workers who, as they drove him from one point or another, promptly settled in it and organised it for themselves.

We have drawn the distinction between Craft and Industrial Unionism as sharply as possible, because we believe the decision whether the workers shall be organised according to the process on which they are engaged or according to the product towards which their labour is contributing to be an all-important one. It represents not merely a cleavage of opinion and judgment, but a real cleavage of principle and outlook. But we realise that the distinction is not so simple as we may seem to have implied hitherto. A somewhat artificial simplification is necessary for an understanding of the subject in theory. But, in practice, the structure of modern Trade Unionism is complicated by half a dozen varieties of the simple and conflicting types with which we have so far been dealing. The Craft Union, for instance, may be confined to a single industry (*e.g.*, the Operative Stone Masons, in building), or it may extend over several industries (*e.g.*, the Amalgamated Society of Carpenters and Joiners), or, again, it may be a "kindred-craft" Union (*e.g.*, the Amalgamated Society of Engineers, and the Postal and Telegraph Clerks' Association). All of such Unions may enjoy a monopoly of the organisation of their craft, or they may compete for members—as they only too frequently do—with other Unions

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catering for their craft or crafts. Then again, there are the various "general" Unions, which may cater generally for unskilled labourers (*e.g.*, the National Union of General Workers), or for special kinds of unskilled labourers (*e.g.*, the United Builders' Labourers Union), or for women workers (*e.g.*, the National Federation of Women Workers), or for everybody not otherwise organised (*e.g.*, the Workers' Union[1]). And of the Industrial Union there are two types—or rather there are two principles on which an Industrial Union might be founded—the Union which sets out to organise all the workers engaged in an industry, and the Union which aims at organising all the workers employed by a particular employer or group of employers, public or private.

This last mentioned tendency of Industrial Unionism to pass over into "Employment" Unionism is an interesting phase of the class-struggle, but it may be doubted whether it is a desirable one. Where the workers concerned are the employees of a municipality, the circumstances of their employment may be of a sufficiently distinct and unusual character to justify their temporary grouping in a special association. But when, as in the case of the railways, it is claimed that all men employed by a particular class of private (or at any rate only semi-public) employer must be organised in the same Union, regardless of the operations to which the

[1] The Workers' Union (the W.U.) has a general and undefined understanding to hand over its members to their "appropriate" Union as occasion arises: but this does not always materialise. There is, moreover, a section of opinion within the W.U. which desires to see in it the nucleus of the "One Big Union" of the American Class Unionist ideal. See below, p. 160, where the problem of the general labour Union is discussed.

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activities of such employers may extend, a very dubious principle has been introduced. The N.U.R., for instance, taking as its basis of organisation the enrolment of "all workers engaged on or about railways," claims for itself the various classes of engineers and labourers engaged in the railway shops of the companies. This brings it into conflict with the Trade Unions concerned with engineering and banded together in the Railway Shops Organisation Committee of Craft Unions, whose negotiations with the N.U.R. have been stormy and protracted. The N.U.R. claims that these workers are contributing to produce the service of railway travelling, and so belong of right to them.[1] Their opponents retort that the workers are engineers who may at any moment pass into some other branch of engineering; that, though they might possibly be claimed by an Engineering Industrial Union, if such existed, the nature of their employers does not alter the nature of their labour; and that, if such a principle is to be introduced, Trade Unionism will be continually broken up and regraded at the whim of a few enterprising and versatile profiteers. The problem, though intricate, is not insoluble,[2] but its consequences for the cause of Industrial Unionism are apt

[1] A ludicrous, but quite relevant example of the length to which the N.U.R. doctrine might be carried is afforded by the painters engaged on painting the Forth Bridge, which is said to take so long to paint from one end to another that by the time the workers engaged on the job have got to the end of the bridge, it is time for them to start again at the other end! Assuming this to be true (and we do not pretend to vouch for the accuracy of the statement) and the painters to be permanently engaged at their task, ought they not to resign their membership of the Scottish Painters' Association—to which we will assume them to belong—and transfer their allegiance to the N.U.R.?

[2] See, for instance, the solution proposed in *Towards a National Railway Guild*, National Guilds League pamphlet, pp. 10, 11.

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to be unfortunate. Those who do not separate the claims of Employment Unionism from those of true Industrial Unionism, and who foresee the confusion to which they seem likely to lead, are tempted to accept the Craft Unionist's case as thereby proved. A far clearer case between pure Industrial Unionism and Craft Unionism is afforded by the dispute between the various areas of the Miners' Federation of Great Britain and the Craft Unions catering for deputies, enginemen, mechanics, and other surface workers. Here the issue is clear, and the battle can be fought out on pure grounds of principle, without the intrusion of the dubious factor of "employment."

It is not only nationally that some more advanced Trade Unionists would apply the principle of "Employment" Unionism. Mr. J. T. Murphy, for instance, who has been closely identified with the important Shop Stewards movement among the engineers, in a valuable and challenging pamphlet,[1] strongly urges the need for Plant Committees "to centralise the efforts or link up the shop committees in the firm," since

> Without a central committee on each plant the workshop committee tends to looseness in action which is not an advantage to the workers' movement.

This seems sound enough when Mr. Murphy applies it, as he first of all does, to "the smelters, the moulders, the labourers, forgemen, blacksmiths, etc.," who will through the Plant Committee "emphasise their social relationship, their interdependence in production, and the power they

[1] *The Workers' Committee: An Outline of its Principles and Structure*, by J. T. Murphy (Jas. Neville, 134 Carver Street, Moorhead, 2d.).

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can be when linked together on a common basis." There is nothing in this which necessarily runs counter to the ideal of an Engineering Industrial Union. But Mr. Murphy goes on to call our attention to the fact that every group of enterprising employers to-day, "seeking more and more to minimise the cost of production, endeavours to obtain first-hand control over all which is essential for that business, whatever it may be." He invites us to "consider the growth of a modern armament firm," and describes how it goes on from its original purpose of specialising in armour-plate to employ navvies and all kinds of building workers to build its new departments, and mechanics to repair its machinery; how that, "as new departments come into being, a railway system and carting systems follow," until "what men used to repair they now produce"; how again from this the firm goes on to produce its own electricity and gas, until finally perhaps

> A hold is achieved on some coal-mine, a grip is obtained on the railway system, and so at every step more and more workers of every description come under the control of a single employer or group of employers.

Thus the workers "have become social groups, dependent upon a common employer or group of employers."

The only way to meet the situation is to organise to fight as we are organised to produce. Hence the Plant Committee to bring together all workers on the plant, to concentrate labour-power, to meet centralised capital's power.[1]

[1] *The Workers' Committee*, pp. 11, 12.

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It would, of course, be idle to deny that there is much truth in what Mr. Murphy says, but we think that the workers would be unwise to model their organisation simply upon the lines which the capitalist himself finds most convenient as a means to the production of profit. The Plant Committee may be valuable as an *ad hoc* body for fighting the employer, but we do not want to build the free industrial society of the future on purely capitalist lines, or to reproduce in self-sufficient but amorphous corporations the enclaves of profiteering. Moreover, Mr. Murphy overstates his case when he says that

> There are no clear demarcation lines between one industry and another, just as there are no clear demarcation lines between skilled, semi-skilled, and unskilled workers.

We must remember that what may be true of engineering is not true, for instance, of printing or of cotton production or of the postal service. There is nothing in the proposals of National Guilds, as we shall see at a later stage,[1] to prevent close interdependence between Guild and Guild, or to standardise any artificial separation of the workers. But unless we base the framework of our new society upon something more fundamental and more national than the organisation of a group of profiteers, we shall not build securely. The capitalist is goaded by the hope of profit; the Guild must be founded upon the principle of function. It is that true Industrial Unionism which prepares the organisation of the industry as a national whole in the interests of all concerned therein, and does not merely set itself to

[1] See below, chapter viii.

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follow blindly the whims and devices of Capitalism, which will enable the workers to secure for themselves and for society the spirit and structure of the Guilds.

We have sought, then, to separate Industrial Unionism from the Craft Unionism with which it is in conflict, and from the new "Employment" Unionism with which it has become a little confused and entangled. But we do not wish to suggest that, however clear we may be upon the principles of Trade Union organisation, its practical details can be other than complex. There will inevitably be many "hard cases" and "border-line problems" in any classification we may make. Even our principles may seem to admit of confusion of thought, as in the example of the postal service, which may be claimed as an industry or held to provide a field for "Employment" Unionism. Moreover, in the case of the craft, we would not for a moment be thought to be denying the validity of craft representation because we have combated the narrowness and insufficiency of Craft Unionism. Not only is it possible for the craft to be represented within the Industrial Union, but it is very necessary and desirable if a truly representative democratic organisation is to be achieved. Nor need there be any great difficulty in providing for this. The constitution of the National Union of Railwaymen contains a provision which admirably combines departmental with district representation.[1] More-

[1] See the constitution of the N.U.R., Rule III. (3): "The twenty-four representatives on the Executive Committee shall be chosen by ballot on the single transferable vote system. The Union shall be formed into six electoral districts for this purpose. Within these districts the various grades shall be divided into four electoral departments. The electoral departments shall be classified as follows:

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over, in cases where crafts extend over various industries, as with clerks and wood-workers, we may look forward to seeing craft federations running across and supplementing the Industrial Unions concerned.

§ 2. The Reconstruction of Trade Unionism

The fundamental basis, then, of all Trade Union reorganisation must be the adoption of a principle of structure which will enable Labour to spend its energies—and its funds—in the struggle with the capitalist and not in miserable demarcation squabbles within its own ranks, and which will, further, provide it with a framework whereby it can assume control as opportunity offers and as its own initiative decides. Industrial Unionism provides this principle and opens up these prospects; this is why it is the cardinal issue for Trade Unionists to-day. But though it may offer us the clue for which we are seeking to the maze of the modern Labour movement, there is much more upon which we have to make up our minds before we can feel assured that our plans for the future of that movement are well and truly laid. If the Industrial Unionist principle of structure be accepted, five main problems still lie before those who seek to build the new Trade Unionism: the creation of a central co-ordinating authority, the reproduction of a similar authority in the localities, the establishment of the Union

(1) Locomotive Department; (2) Traffic Department; (3) Goods and Cartage Department; (4) Engineering Shops and Permanent Way." It is further laid down that "The Executive Committee shall be divided into four departmental sub-committees, comprising the representatives of the departments named."

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securely upon the essential unit of the workshop, the amalgamation of competing and overlapping Unions, and the assignment to the general labour Unions of a definite function in relation to the rest of the world of labour. To the consideration of these problems we must now turn.

I. The well-worn cliché, to which we have already referred, which pictures Trade Unionism as the "Army of Labour" is nowhere seen to be more at fault than when we consider the first essentials of an army—authority and command. The Trade Union movement recognises no authority and moves in obedience to no command. It may be argued that from the standpoint of the advanced Trade Unionist this is all to the good, since no check is thereby imposed on the initiative of a Union which has the courage and intelligence for a spirited policy; nor is it left to a reactionary officialdom to set the pace. Yet this freedom from co-ordination and direction is bought at a high price, and the result is that if Labour is advancing, it is also (to adopt a famous phrase) "advancing in all directions." To recognise that a strengthening of central control, or at any rate of co-ordination, might have perils for the enterprise of Trade Unionism if it followed certain obvious lines, does not absolve us from the necessity of thinking out ways and means by which that control could be developed without reactionary consequences following. Until Trade Unionism realises itself as a whole and translates its watchwords of solidarity into terms of a voluntarily imposed discipline, it will never take a

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decisive step forward. Victory in the class-struggle may not involve revolutions as commonly understood, but it will certainly involve something stronger than the resolutions which seem to be all that Trade Unionists can unite to achieve at the present time.

If the Labour movement, however, is without a central authority, it is not without a large amount of centralising machinery. In addition to that existing before the War—the Trades Union Congress, the Labour Party, and the General Federation of Trade Unions (the G.F.T.U.), with a Joint Board nominally co-ordinating their activities—there have arisen since its outbreak two important and very representative bodies: the War Emergency: Workers' National Committee and the Joint Committee for After-war Problems. Meanwhile the G.F.T.U. has been excluded from the Joint Board, while, on the other hand, the Labour Party, in addition to contemplating a drastic overhauling of its constitution, is preparing for a closer co-operation with the Trades Union Congress, the housing of both bodies in a single building, and an extension of activities to be undertaken jointly in spheres as yet hardly explored officially by Labour—for example, Trade Union Research. Outside all this lies the great Co-operative movement, which is at last, however, showing signs of making up its mind to enter the political sphere from which it has so far held rigidly aloof. Nor must the future of the Triple Alliance of the Miners, the Railwaymen, and the Transport Workers be left out of account when considering the problem of how to co-ordinate the activities of Labour. There is no lack of machinery at hand from which

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an authority might be evolved which would fill the required rôle; the difficulty lies rather in adjusting the claims of competing bodies and securing that each may contribute most effectively to a result worthy of the cause which each is seeking, albeit confusedly, to serve.

We are not concerned in this chapter with either the Co-operative or the political activities of Labour, but with its primary weapon and most significant and potential manifestation—Trade Unionism. And here the most important and authoritative central body is indubitably the Trades Union Congress. In this assembly, which has met annually since 1871,[1] the vast majority of Trade Unions are represented and discuss social and industrial questions of interest to the working class as a whole. The Congress can legitimately claim to represent British Trade Unionism, and attendance at its gatherings has steadily increased; in 1917 at Blackpool 695 delegates were present, representing 3,082,352 Trade Unionists. These facts have led to the Congress being popularly styled—with natural, if somewhat wearisome, inaccuracy—the "Parliament of Labour"; but it is in fact less a parliament than a glorified debating society, or, as Mr. and Mrs. Sidney Webb described it two dozen years ago, "an unorganised public meeting, unable to formulate any consistent or practical policy." Not only is membership of the Congress not compulsory, but its decisions are not even binding (save perhaps "morally"—for what that

[1] Except in 1914, when the Congress was postponed—unwisely, as many thought—owing to the outbreak of war.

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is worth) upon the affiliated Unions affected by them; when its decisions are resented by a Union, they are consistently ignored.[1] The Craft Unionists, for instance, secured a verdict against Industrial Unionism at the 1915 Congress over the question of the railway shopmen, but the N.U.R. representatives roundly declared that this would make no difference to their persisting with their endeavours to organise the shopmen; nor has it done so. The Congress elects each year an executive known as the "Parliamentary Committee," the very title of which is really an anachronism, now that the Labour Party has been definitely established to represent the political interests of Labour. The closer harmony now foreshadowed between the Congress and the Labour Party may lead to the Parliamentary Committee formally abandoning its political activities and even changing its name; but at present considerable overlapping exists. The Parliamentary Committee still fritters away over the consideration of legislative problems time which would be better spent in attempting to reconcile the sad divisions and differences which distract its affiliated bodies.[2]

But little is to be hoped for from the Trades Union Congress till it shakes itself free from the deadweight of officialism and the monstrosity of misrepresentation known as the block-vote. By means of this ridiculous device the whole weight of a Union's voting strength is cast for or against a measure, though opinion upon it within the Union

[1] A notorious example is the repeated condemnation of "half-time" juvenile labour in the cotton-mills.

[2] Efforts have recently been made to take up this task, with but indifferent success.

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may be almost equally divided.[1] The whole method of procedure combines to rob the Congress of the democratic qualities of initiative and spontaneity. One finds in it the dominance and ubiquity of officials, the rigid binding down of the delegates by their Unions before they start, and their helplessness before the "platform" when they arrive, together with the congestion of business and the wearisome reappearance of "hardy annuals" on the resolution paper. Many critics consider that the Congress made a mistake in 1895 when it excluded the Trades Councils, since it is in the local life of Labour that the ordinary worker finds his best chance of getting his point of view represented. By excluding the Trades Councils, the Congress not only seriously weakened one of the most essential organs of the Labour movement, but it deprived its gatherings of just the sort of delegates it needs to invigorate its proceedings and keep it in closer touch with the more virile elements amongst the younger workers. Something to effect this must certainly be done if the Trades Union Congress is to retain its prestige at the head of the world of Labour. Its authority may remain unrivalled, but, unless it adds to that authority something of initiative, spirit, and imagination, it will cease to be a democratic organ, even in form, and will justify the gloomy verdict of one of the keenest of the younger champions of Labour, who returned from a recent Congress convinced

[1] An instance which seems likely to become classic is that of the miners' vote at the two Labour Congresses in 1917 to consider the question of a British delegation to Stockholm. It was due almost entirely to the transference of the miners' vote from one side to the other that a majority of 1,296,000 was reduced to one of 3,000.

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that, " so far as the workers are concerned, democracy seems to mean government by the old " !

The Trades Union Congress, then, is without the authority to enforce its decisions and without satisfactory machinery even to arrive at them. Where else can we turn for a body able to command Labour's allegiance and co-ordinate its industrial activities? There is another competitor with claims to be considered—the General Federation of Trade Unions. This body was founded in 1899 with the express intention of unifying the Labour movement ; it does not interfere in politics, but sets out (to quote from its " Objects ")

To improve in every direction the general position and status of the workers by the inauguration of a policy that shall secure to them the power to determine the economic and social condition under which they shall work and live, and to secure unity of action amongst all societies forming the Federation.

Here we might seem to have at least the nucleus of the authority for which we are looking. Its structure, its ambitions, and the energy of its secretary, Mr. W. A. Appleton, have led some observers to accept the G.F.T.U. at, and even above, its face value. Mr. G. D. H. Cole, for instance, in his first book,[1] while frankly recognising its weakness in influence and membership, declared that " the

[1] See for the following quotations *The World of Labour*, p. 245. But this was in 1913, and there is evidence that time has modified Mr. Cole's opinions on this point ; see, for example, his pamphlet, in collaboration with Mr. W. Mellor, *Trade Unionism in War-time* (published by the *Herald* in 1915). Mr. Cole in his chapter " The Reorganisation of Trade Unionism " in *Self-government in Industry* (1917) makes only a casual reference to the G.F.T.U.

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G.F.T.U. is, in form at least, exactly the co-ordinating body required." After insisting that "there should be some body capable of saying to two rival Unions that their rivalry is a nuisance, and saying so with the whole moral weight of the Labour movement behind it," he adds:

> This should be the function of the General Federation of the future. . . . Sooner or later the British movement must evolve its central authority, and there seems to be no way of getting this except with the co-operation of the Trades Union Congress and the General Federation. It is of importance that the Federation should pass safely through its present financial difficulties, and particular Unions ought to be ready to make sacrifices to save it.

Perhaps they ought to have been, but they were not; and the secession in 1916 of the largest of the affiliated bodies, the A.S.E. (in circumstances not very creditable to either side[1]), struck a deadly blow at the always precarious position of the Federation, and brought down its membership well below the million mark it had but lately reached. The blow was not unexpected.

The history of the General Federation is the old story of nearly all Federations; the Unions that joined came in very often in the hope of getting something for nothing. Some of them have got it, but others have been badly hit. Naturally, the weakest Unions flocked to take advantage of the chance to get benefits on such good terms as the Federation offered. All went smoothly for a few years; but in 1911 came the uprising of the less

[1] See the G.F.T.U. Annual Report for 1916 for particulars of the secession.

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skilled workers, and the weaker Unions began to drain the Federation's resources.[1]

The strong grew tired of helping the weak, and with the weakening of their allegiance within the Federation the attacks of its enemies outside redoubled, till in 1915 they secured its exclusion from the Joint Board.[2] Since then the G.F.T.U. has lost its reason for existing (save as an insurance society against strikes) and has become a *tertium quid*, rather in competition with the official authorities of Trade Unionism than complementary with them.

We might lament the decline of the G.F.T.U. more deeply if there had been real reason to think that its prosperity would have been valuable to the true interests and purposes of Trade Unionism. But the evidence is to the contrary. The best feature of the Federation—its protection of the weak Unions by the strong—was neutralised, to some extent at any rate, by its general tendency to encourage the survival of small societies which would have better sought the interests of their members and of Labour as a whole by amalgamation with more influential bodies and, especially, with such Industrial Unions as already existed. The G.F.T.U., even more than the Trades Union Congress, has acted as a bulwark of Craft Unionism. Moreover, among its "Objects" is the specious phrase, "to promote industrial peace." Never more than now would it be disastrous for the Trade Union movement to fall under the sway of an authority aiming explicitly at industrial pacifism. The activities of the G.F.T.U.

[1] G. D. H. Cole, *The World of Labour*, p. 243.
[2] See above, p. 124.

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since the War have done much to encourage the apprehension that industrial pacifism is its principal goal for the post-war period; some of its leading spirits have been associated with proposals for that premature and spurious industrial millennium in which the profiteer lion will lie down with the labour lamb in a "National Alliance of Employers and Employed." The G.F.T.U. may aim at "improving in every direction the general position and status of the workers," but it seems blind to the only improvement in their status that is worth a moment's consideration—their emancipation from wage-slavery.

Thus far our survey of the co-ordinating machinery of the Labour movement has been rather depressing for those who look to see the central authority of Trade Unionism something better than a mere mouthpiece of officialdom or an association for the preservation of Craft Unionism and "industrial peace." But there is one achievement in the field of Trade Union co-ordination of a unique character and vast potentialities. We refer to the "Triple Industrial Alliance" (the T.I.A.) of Miners, Railwaymen, and Transport Workers.[1] The scheme for joint action in certain contingencies between these three great industrial bodies caused some excitement when first mooted in 1913; but when it was finally ratified in June, 1917, it attracted little notice in face of the more sensational issues of the Russian Revolution

[1] See articles in the *Labour Year Book* for 1916 and 1918; also a useful pamphlet on *The Significance and Possibilities of the Triple Alliance*, by G. R. Carter ("Advertiser" Press, Page Street, Huddersfield, 3d.). There is a chapter on the Triple Industrial Alliance in *Trade Unionism on the Railways*, by G. D. H. Cole and R. Page Arnot.

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and the War. Yet in its way the successful completion of the Triple Alliance is a sensational fact enough. A joint arrangement between nearly 800,000 miners, 350,000 railwaymen, and 250,000 transport workers to act together if they agreed that circumstances demanded it, representing a force capable (as one of their spokesmen has expressed it) of "stopping every wheel in the country if the necessity arose of doing so," is a matter of sufficient importance to justify our inquiring with some care into its origin and examining its future possibilities.

The scheme arose out of a resolution passed at the Annual Conference of the Miners' Federation in 1913; its realisation was already in sight when the outbreak of the War interrupted all plans for the reorganisation of Trade Unionism. The matter was postponed indefinitely, but the N.U.R. showed that they had not forgotten it by passing a resolution at their 1915 Conference expressing the hope that negotiations would be opened immediately after the War. Happily, however, the postponement was not to be so indefinite as this. It was appreciated by the leaders concerned[1] that the reconstruction of Trade Unionism should rather precede than follow the "reconstruction" of industry, in the course of which problems might well arise which affected the Unions concerned, and in the settlement of which they might expect to have a more decisive share if they acted together than if they remained in isolation. It was with general satisfaction, then, that

[1] For example, see Mr. Robert Smillie's article in the *Labour Year Book*, 1916, p. 131. The following account of the T.I.A. is adapted from an article in the 1918 *Labour Year Book* written by one of the authors of this book.

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the rank and file of the three bodies learnt in the autumn of 1915 that their representatives were resuming the discussion of a proposal already accepted in principle, with a view to laying a definite scheme before a joint conference of the national executives of the organisations involved.

The idea behind the Triple Alliance is simple enough; it is, in fact, no other than the old dogma of Trade Unionism that an injury to one is an injury to all. But this doctrine is true in a very special sense in the case of the miner, the railwayman, and the transport worker; and it was brought home to them in the great strikes of 1910–1912, when the workers' "downing tools" in one of these industries led to an involuntary stoppage of work in the others, "as a result of which the workers had incurred all the drawbacks of being simultaneously out of employment without gaining any of the advantages of sympathetic action." Whatever the value of the "sympathetic strike," it is clearly better that the sympathy should be voluntary, and better still that machinery should exist to provide for the *synchronised* strike, the threat of which would—in most cases at any rate—prevent the strike taking place at all and gain for the Unions concerned a "bloodless" victory. We shall speak later of the morality and policy of strikes in general, but it must not be thought that the Triple Alliance is likely to embark upon an ambitious strike policy or apply its enormous power indiscriminately. Not only have its pioneers, Mr. Robert Smillie and Mr. J. H. Thomas, for example, exhibited in their speeches a sense of the deep responsibility imposed by the

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possession of so much power, but the constitution of the Triple Alliance forbids action being taken save on matters of the first importance to all its constituent bodies, and then only after the most thorough consideration.[1]

Space forbids us a full quotation of the constitution of the Triple Alliance; but Clause 8, which gave rise to the fullest discussion when the constitution was being drafted, is worth reproducing in full. It runs as follows:

> Joint action can only be taken when the question at issue has been before the members of the three organisations and decided by such methods as the constitution of each organisation provides, and the Conference shall then be called without delay to consider and to decide the question of taking action.

It is clear that this provision sufficiently guards against the danger of precipitate action. The clause was only agreed to in its present form after several other proposals had been considered. It was first of all suggested that joint action should be taken when two of the executives decided in favour of this being done; but to this it was objected by the Miners' Federation that in a matter of so much importance more democratic methods were necessary, and its representatives brought forward a proposal that a ballot vote should be taken and a two-thirds majority obtained before a conference was called to decide the question of taking action. To this the representative of the other bodies objected that a ballot was not suitable or even practicable for their organisations.

[1] See the summary of the constitution in the *Labour Year Book*, 1918.

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The result was that the clause was agreed to in the form quoted above.

Though not finally constituted until June, 1917,[1] joint action was taken by the executives of the Triple Alliance on more than one occasion in 1916. Its proposals in regard to demobilisation were the first to be formulated by any central Labour body, and their presentation to the Premier by deputation in August of that year caused the *Times* to level at the Triple Alliance the accusation (so strikingly appropriate to its own ambitions and activities) of "formally attempting to supersede constitutional government and to frighten the appointed Ministers of the Crown, who are responsible for the conduct of the affairs of the nation, into doing their own will." The terrible charge of attempting to induce the nation's representatives to consult in their dealings with Labour the wishes of Labour itself might once more have been brought against the Triple Alliance in December, 1916, when it strenuously and unanimously protested against the importation into the British Isles of coloured labour from overseas. Whether because of this or not, it is significant that, after the threat of action by the Triple Alliance, no more was heard of the proposal, sinister rumours of which had given rise to grave apprehension amongst Trade Unionists previously.

Important as may be the influence of the Triple Alliance upon the affairs of the country generally, nowhere is that influence likely to be more important than inside the Trade Union movement itself.[2]

[1] At a full representative meeting held in London and attended by 280 delegates, representing 1,286,000 organised workers.

[2] This was the verdict of the *Daily News* on the ratification of the

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This is true, above all, in one direction, upon the significance of which we have already insisted in this chapter: the Triple Alliance is a practical affirmation of Industrial Unionism more striking than pages of theoretical argument. This statement must not, of course, be pressed too far; the constituent bodies of the Alliance are of three very different types, and only one could be accurately described as an Industrial Union. But the miners are organised explicitly upon an industrial principle, and (though their Federation may not be free from the weaknesses of all federations, or be a finally satisfactory form of organisation) it enjoys a degree of power and authority not generally associated with the term. The Transport Workers' Federation (the T.W.F.), though from the nature of the case far weaker and less satisfactory, confronted with many difficulties and anomalies[1] and not free from inter-Union rivalries, forms a valuable step towards a Transport Workers' Union on industrial lines, which is the goal at which its more enterprising and far-sighted leaders are aiming. It was, no doubt, with the case of the T.W.F. chiefly in their mind that those who drafted the constitution of the Alliance included the important Clause 6 which lays down that "Every effort shall proceed among the three sections to create effective and complete control of their respective bodies."

Any doubt, however, of the Industrial Unionist

Alliance: "The amalgamation will have more immediate and practical results on the Trade Union movement itself than on the public and private employers against whom in certain circumstances it may be pitted."

[1] For example, the problem of the general labourer, who forms a high proportion of those employed in the industry.

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tendency of the Triple Alliance is set at rest by the consideration of a most important decision to which it came at the outset of its career. The Federation of Enginemen, a federation of "kindred-craft" Unions at issue everywhere with the principle of Industrial Unionism, and including the Associated Society of Locomotive Engineers and Firemen, the great antagonist of the N.U.R., applied to be admitted to the Alliance when its formation was first proposed. This application was refused on the ground that Unions should only be admitted "through the appropriate body representing the industry as a whole." The significance of this decision is obvious, and it is emphasised by the following words written by Mr. J. H. Thomas, the general secretary of the N.U.R., to explain the origin of the Triple Alliance:

> The workers concerned saw that sectional Unionism had become obsolete, and that even occupational Unions would have to be put into the melting-pot and recast. Not only must future organisation be on industrial lines, and its marking of the units of industry pay some regard to the employer,[1] but there must be co-operation between the various Industrial Unions.

These words offer a glimpse of a vastly important future for the Triple Alliance, the possibility of which justifies us in having devoted so large a proportion of this chapter to the consideration of its origin and potentialities. For it becomes clear that the Alliance may be destined to serve as the

[1] This cautious acceptance of "Employment" Unionism by a leading N.U.R. representative is incidentally of some interest. See above, pp. 116–7.

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nucleus of a General Federation of *Industrial* Unions, and so co-ordinate the activities of the new Trade Unionism as the G.F.T.U. tried, and failed, to co-ordinate the activities of the old. In proportion as the Trade Unions of to-day approximate to the Industrial Unions which are the essential structure of a free to-morrow, we may expect to find them claiming admittance to the Alliance, and finding their claims sympathetically considered. Indeed, the point has already been urged. At the 1917 Conference of the Postal and Telegraph Clerks' Association several advocates of a "forward policy" argued in favour of the changes they were proposing that they would hasten the formation of a Postal Industrial Union, and "will facilitate its inclusion into what is at present known as the Triple Industrial Alliance."

At the end, then, of our survey of the co-ordinating machinery of the Trade Union movement we have found something with better claims upon our attention than a mere traditional "authority" or an imposing array of "Objects" culminating in a delusive industrial peace. We do not suggest for a moment that the Triple Alliance should, or even could, take over the functions of the Trades Union Congress; it has expressly repudiated any such intention, and it is clear that the "Parliament of Labour" has still a most important part to play as an arena for the discussion of the innumerable problems with which the workers are confronted. In this respect, at any rate, the latter body is never likely to be superseded. But as an executive authority, a rallying ground, and a striking force in

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the class-struggle, the Triple Alliance has vast possibilities, and may achieve some of the purposes that past observers have looked to see realised by the G.F.T.U.—in vain. For not a mere General Federation of Trade Unions, but rather a *General Federation of Industrial Unions*, is what Labour needs to lead it on its great adventure of emancipation. It is significant that within the ranks of the Triple Alliance is to be found the clearest consciousness of Labour's true destiny; the principle of partnership with the community has been definitely embraced by the railwaymen and is widely advocated amongst the miners. If the power of the Triple Alliance is used to this end, and to raise the status of the workers and not merely their wages, its title to the leadership of Labour will be as indisputable in the realm of ideas as it bids fair to become in the sphere of organisation.

II. Our search for a central authority for Trade Unionism has proved a long business, and we do not claim that any clear and finally satisfactory solution has been found. It is perhaps too early to expect one. But when we pass from the national area to the locality, the need for centralisation and co-ordination is no less, though here the problem is rather different. The difficulty in this case is not to find the appropriate authority, nor does it lie in the absence of such a thing; it consists in the need for strengthening the prestige and enlarging the functions of a body, the existence of which is fairly widespread—the Trades Council. These Councils represent an attempt to co-ordinate the interests

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and activities of Trade Unionism in the various localities where they exist. Being free as a rule from the domination of officialdom, and offering an opportunity for the ordinary worker of zeal and intelligence to express himself, they represent in some respects the most spontaneous manifestation of the keen Trade Unionist's point of view. We have already referred to the exclusion of the Trades Councils from the Trades Union Congress; from this rebuff they have never recovered, with the result that Trade Unionism has been crippled in one of its most essential activities. There has lately been a distinct tendency to a revival in the local life of Labour[1] and an increased interest in and spread of Trades Councils. A "National Federation of Trades Councils" has even put in an appearance, though its authority would seem to be dubious and its leading motive an attempt by its patron, the G.F.T.U., to steal a march on its rivals—the Trades Union Congress and the Labour Party. But until the authority of the Councils is strengthened, their financial resources much increased, and their functions more clearly defined and more ambitiously designed, Labour will remain without one of its most valuable weapons for to-day and one of its most necessary organs for the future.

The functions of the Trades Councils in a reorganised Trade Union movement have been outlined so clearly and so convincingly by Mr. Cole in his latest book[2] that we may be pardoned for quoting

[1] The proposals for the revision of the Labour Party constitution, for instance, seek to strengthen—though not, as some think, sufficiently—the local Labour Parties and Representation Committees.

[2] *Self-government in Industry*, pp. 149, 150.

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what we should only injure by reproducing in any other form:

First of all, they should serve as the centres of Labour propaganda and education. They should make Trade Unionists, and, having done this, they should make good and enlightened Trade Unionists. The Trades Councils should be linked up closely with the educational side of the Trade Union movement, with the Workers' Educational Association and with the Labour Colleges. They should run, in connection with these bodies, classes on industrial and kindred subjects, and they should serve to bring together into one fellowship the whole Trade Union life of their district. Secondly, they should be given new industrial functions. The control of the Labour Exchanges, either wholly or jointly with the employers, should pass into their hands, and they should assume a share in the control of the provision for and against unemployment. Local Federations of Trade Unions should be linked up with the Trades Councils, they should be kept fully informed of all local movements, and should serve as centres for information about and research into local industrial conditions. . . .

Clearly, if the Trades Councils are to fulfil these functions, they must have money. They will need buildings of their own to serve as centres for the whole Labour life of their district, for meetings, demonstrations, conferences, concerts, plays, and all other aspects of the industrial, political, educational, research, and social work of the Labour movement. Whence, then, is this money to come? Clearly, it can come only out of Trade Union contributions. Every Trade Union should insist that all its branches shall affiliate to the local Trades Councils, and Councils should be formed wherever they do not exist. Then it should be made possible for branch contributions to the Trades Councils to be increased, in order that the local life of Trade Unionism might be made more vigorous and class-conscious.

This admirable summary shows the possibilities

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for Labour still left unexplored by the neglect and starvation of its local organs. Nor does it exhaust the tasks which a vigorous and authoritative network of Trades Councils might reasonably undertake. The adjustment of inter-Union relations and the solution of demarcation and other disputes between the local branches of Trades Unions might well be handed over to the Councils as they gain in prestige and general recognition amongst the workers. The task of strengthening the local life of Labour offers opportunities which should be no longer neglected, and which, if widely used, would sensibly increase the initiative and the control of the rank and file. But for this to be accomplished completely an even more urgent reform is needed—the founding of Trade Unionism upon the true industrial unit of the workshop. This problem we have now to consider.

III. It cannot be too often repeated that self-government is something more than representative government, and that no democracy is a real one which does not provide for the individual, and even stimulate his initiative. This is not less true in industry than in politics; before it can be realised in the Guilds of to-morrow, it must first be sought for in the Trade Unionism of to-day. It is true that Capitalism seeks ever to suppress the independence of the worker, and is suspicious even of his originality and his every creative impulse, lest the exercise of these qualities should drive him into conflict with the narrow purposes of profit. But, circumscribed as he is by the wage-system till he has gained the will and the strength to smash it, the worker has in his

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Trade Union a standing challenge to Capitalism. Here he may hope to exercise the initiative and enjoy the true self-government so largely forbidden to him outside. Yet Trade Unions are far from being patterns of democratic practice, whatever they may be in theory, and the worker is too often expected, by those who have induced him to elect them, to play nothing but a passive game of "Follow my leader." No doubt many leaders do not desire this, but they have not the imagination to see any alternative to it but anarchy; if they can imagine a better alternative, they are too conservative to provide for it. They blame the apathy of the rank and file (when they are not deploring their "insubordination"); yet they fail to recognise that alternate apathy and insubordination are but symptoms of a system which fails to allow—or, at any rate, to encourage—the constant assertion of will by the ordinary man. We are far from saying that either the apathy or the insubordination of the average Trade Unionist can be transformed immediately into conscious will by any mechanical changes in Trade Union government. But without these changes they will only increase, and no impressive amalgamations of national bodies, though consistent with the most approved Industrial Unionist models, will achieve anything worth while unless they are reflected in changes throughout Trade Union organisation. Many such changes could be suggested: the balancing of the power of the executive by the check of constant *ad hoc* national conferences of the rank and file; provision against the automatic re-election of officials; adequate representation for

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locality and craft. But more important than all is a reform which lies at the base of the whole structure, and must largely condition it—the establishment of a true unit of Trade Union government by the recognition of the workshop as the branch.

The proposal is not merely hypothetical; it is already in the way of becoming an accomplished fact. The question is whether that fact shall be realised under the auspices of Trade Union authority, or in defiance of it. Circumstances differ, of course, in various industries, but the common practice in the past has been for the branch organisation to depend for the most part on the place at which the Trade Unionist is sleeping, not on that at which he is working. To supplement this, a number of Trade Unions appointed shop stewards to represent their interests in the various workshops, and in some cases shop committees also. But these officials and committees have tended less and less to represent the sectional and "official" interests of particular Unions, and have become more and more the representatives of the workers in the shop themselves, regardless of Union and even of craft barriers. What was originally set up to strengthen the hold of official Trade Unionism over the workshop has passed into being in many cases a rival authority to it. The spontaneous democracy of the workshop, ignoring the quarrels and prejudices of their national leaders and the artificial division to which they led, seeking often for a natural and efficient organ through which to express their contempt for what appeared as a pusillanimous and dilatory policy, and resolved somehow to take "direct action" themselves, has

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created in many centres, and especially in those where the munitions industry gave rise to new problems, new perils, and new opportunities, a Shop Stewards movement at variance with official Trade Unionism and often in open revolt against it. What appeared as a new phenomenon on the Clyde in the spring of 1915 is now arising everywhere, and the Trade Union leaders—in the engineering industry in particular—are confronted in this new "ferment of revolution" with the Nemesis of half a century of complacency, sectionalism, and lack of enterprise and spirit.

It is true that the causes of the Shop Stewards movement are complex, and the faults are not all on one side. There is an element of recklessness and impossibilism in the movement. Its attacks upon established Trade Unionism are not always due so much to a conviction of its errors and a desire to reform them, as to a doctrinaire determination (derived often from the half-baked "Industrial Unionism" of the U.S.A.) to overthrow the existing Trade Unions simply because they *are* established, and to create new organs for a "class war" which bids fair to be waged primarily upon the workers' own class. Whether by the attempt to create the amorphous absurdity of the "One Big Union," or by the setting up of defiant little "Industrial Unions" which only add to the chaos of competition that they set out to contend against, the extremists of the "Workers' Committees" seem sometimes likely to do more harm than good. Their violence irritates the ordinary man more than their arguments persuade; the average Trade Unionist is

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as suspicious of the rhetoric of "Defiance" as he is disillusioned with the platitudes of "Defence." But the strength and significance of the Shop Stewards movement lie not in the language of a few leaders, nor even in their personalities, but in the soundness of the fundamental ideas for which they stand. The heresies of unofficial Trade Unionism are but the intellectual vengeance of the suppressed truth of workshop initiative and control.

If we listen, for instance, to the words of a leading spokesman of the Shop Stewards movement, Mr. J. T. Murphy, of Sheffield, we shall find the essentials of industrial democracy stated and applied with a directness and sanity altogether admirable. We take the following from his valuable pamphlet *The Workers' Committee*, which we recommend to the attention of our readers:

> Compare the outlook of the man in the workshop and the man as a full-time official. As a man in the workshop he feels every change; the workshop atmosphere is his atmosphere; the conditions under which he labours are primary; his Trade Union constitution is secondary, and sometimes even more remote. But let the same man get into office. He is removed out of the workshop; he meets a fresh class of people, and breathes a different atmosphere. Those things which were once primary are now secondary. He becomes buried in the constitution, and of necessity looks from a new point of view on those things which he has ceased to feel acutely. . . .
>
> Men working together every day become familiar to each other and easily associate, because their interests are common. This makes common expression possible. They may live, however, in various districts and belong to various branches. Fresh associations have therefore to be formed, which at the best are but temporary,

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because only revived once a fortnight at the most, and there is thus no direct relationship between the branch group and the workshop group. The particular grievances of any workshop are thus fresh to a majority of the members of a branch. The persons concerned are unfamiliar persons, the jobs unfamiliar jobs, and the workshop remote; hence the members do not feel a personal interest in the branch meetings as they would if that business was directly connected with their every-day experience. The consequence is bad attendance at branch meetings and little interest. We are driven, then, to the conclusion that there must be direct connection between the workshop and the branch in order to obtain the maximum concentration on business. The workers in one workshop should therefore be members of one branch.[1]

It is impossible to resist the cogency of this reasoning by one who is himself a worker and speaks of what he knows. The urgent problem is to reconcile a movement so essentially necessary to the vigour of Trade Unionism with the established machinery of the Trade Union world.[2] Conflict between them may satisfy the stubbornness of the extremist on the one side and the reactionary official on the other, but it will only bewilder and disgust the ordinary worker, who neither wishes to shatter all that he has contributed to build up, nor regards as sacrosanct the details of its framework. There is nothing inherently impossible in refashioning the basis of branch organisation so as to make it depend upon the workshop, or even in securing that the shop steward elected in the workshop should be

[1] *The Workers' Committee*, pp. 3–5. The pamphlet should be referred to for many interesting suggestions (some, perhaps, of dubious value) as to the organisation and federation of Workers' Committees.

[2] See the treatment of the subject in Mr. Cole's *Self-government in Industry*, pp. 138–143.

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as much an officer of the Trade Union as was the shop steward appointed from outside. To quote Mr. Murphy once more:

> The initiative should be taken by the workers in the various districts. It is immaterial whether the first move is made through the local Trade Union committees, or in the workshops and then through the committees, so long as the stewards are elected in the workshops and not in the branches. The means are then assured of an alliance between official and unofficial activities by an official recognition of rank-and-file control.

The difficulty, indeed, is likely to prove rather practical than theoretical. Nowhere is the conservatism of the mid-Victorian Trade Unionist more obstinately persistent than in the Engineering Craft Unions, such as the Steam Engine Makers and the Patternmakers; their leaders have perceived in the Shop Stewards movement a revolutionary force threatening to sweep them away, and they have denounced it with all the violence of a privileged caste which feels its grip on power menaced by the mob. Their instinct is to a large extent correct, for the workshop movement, in all but its most extravagant manifestations, is the herald of the true Industrial Unionism which builds up from below a democracy capable of waging the class-struggle and of organising its conquests when they are won. Without organisation in the workshop the workers can never gain that control over production which is an essential step towards the Guilds that should be the goal of all their effort. Moreover, the workshop movement holds the promise of a solution to the next problem with which we have to deal, a problem

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which would, save for this promise, seem often to be insoluble—the problem of amalgamation.[1] The jealousies, rivalries, and egotisms which officially sunder one Union from another and provide the vested interests at their head offices with the material for an interminable feud are calmly ignored and set aside when men begin to organise in the workshop. They are ignored because they are seen to be negligible in face of the overwhelming community of interest that the workers have with one another when they are labouring together to create a common product. The "obstacles to amalgamation" dwelt upon so persistently by Trade Union leaders are shown to be more imaginary than real when amalgamation ceases to be a vague and often hypocritical aspiration and is quietly translated into fact from below by the rank and file. Amalgamation achieved by this means, if it is slower and less sensational than the big fusions arranged from above, is not less valuable and perhaps not less secure.

IV. It is when we turn to consider the problem of amalgamation as more commonly understood that we see how the process we have been discussing may alone serve to retrieve a situation which would otherwise appear in many instances to be desperate indeed. In view of all we have already written, we do not propose to rehearse the arguments in favour of closer unity between the Unions composing an

[1] This has been perceived by the unofficial "Metal, Engineering, and Shipbuilding Amalgamation Committee," which, after some rather reckless threats to establish an "Engineering Industrial Union" in despair at the lethargy of the official leaders, is now wisely concentrating on the achievement of practical amalgamation in the workshop.

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industry, or even to debate the rival merits of federation and amalgamation.[1] For the Industrial Unionist the case for amalgamation is clear; it only remains to achieve it. In some industries, as we have already suggested, the goal seems not far off. The position in mining and on the railways, if not finally satisfactory (and Craft Unionism is not dead in these industries by any means), is still very hopeful; and there are other branches of industry where little in this respect remains to be done. But when we turn to building, to engineering, and to the textile industries, the situation, especially in the first two cases, is depressing indeed. Sectionalism is rampant; demarcation disputes exhaust the energies of the workers; the snobbery of the "skilled man" persists in its most obnoxious form, and the framework and the spirit of Industrial Unionism seem equally remote.

There can be no doubt that of all obstacles to amalgamation the greatest is the reluctance to attain it. It is necessary to state such a truism since it is so often and so successfully veiled beneath a camouflage of "insuperable barriers" adroitly paraded to deceive the innocent. There are none so deaf as those who will not hear the call to unity and solidarity which must be presumed to reach even the bureaucracy of Trade Unionism in their official fastnesses. It is a call, moreover, which comes not merely from "bourgeois" friends of Labour with perhaps no special claim to be listened to (and even less expectation of such a thing!), but from the

[1] For a full discussion of this subject, see *The World of Labour*, by G. D. H. Cole, chapters vii. and viii.

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rank and file of the workers themselves. The secretary of the National Union of Hair-splitters (which, for all its ambitious title, may well prove to be a single-branch organisation unheard of outside its native town and the Trade Union directory of the *Labour Year Book*) is not going to see "his society" swallowed up in a more efficient and representative organisation in the interest of any hypothetical "solidarity of Labour," or to sink from his general secretaryship to a humbler post, even though at an enhanced salary. This pride in the body to which a man has given, it may be, the best years of his life, and devotion to its traditions and its fortunes, are natural enough and even praiseworthy; but if the cause of the workers' emancipation is really to transcend the private interests and hobbies of individuals, these instincts must give way to a larger loyalty. The crusade against wage-slavery cannot be endangered or impeded because every petty captain claims undisputed command over his own troop.

We have mentioned first this obstacle of official egotism, because we are convinced that if it is not the chief barrier to amalgamation, it is at any rate the most obstinate. Where this particularism is reflected in the rank and file, it is as often as not deliberately engendered from above. Instances of this could be given, were we not determined to avoid being plunged in the maelstrom of inter-Union rivalries. Does a local branch of some Craft Union enter into friendly relations with the local branch of the Industrial Union which is competing for the allegiance of its members? Down comes a high

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official from the head office and in a "powerful" speech rehearses all the old causes of dispute, adding perhaps a few more that may happen to be current and of which the branch has been previously in happy ignorance, passes on to expatiate upon the unique and exclusive glories and benefits pertaining to membership of their particular society, and sits down with the conscious satisfaction that no such deplorable incident as the fraternisation of the workers in a single industry is likely to recur in that centre for an appreciable time. The official interest working on the craft spirit has achieved its end of disunion by stoking up bad feeling which would otherwise have died down.

We do not deny that the official and, far less, that the craft obstacles to amalgamation are sometimes genuine, or that the difficulties involved are real. But however real they may be, it is not beyond the power of goodwill and resolution to cope with them, and the history of Trade Unionism affords ample illustration of the maxim that difficulties exist only to be overcome. Where the officials of the societies concerned cannot be found useful posts in the offices of the new amalgamation, as will generally be the case, it is better that they should be handsomely pensioned off than that the tenure of their old offices should be made the excuse to postpone a fusion which may be long overdue. The remarkable generosity and loyalty of the British workman is nowhere exemplified more clearly than in the consideration which he shows to the officials whom he deems to have served his interests and whose tenure of office he is so reluctant to disturb. But this

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generosity and loyalty can be carried too far if they lead to the perpetuation of a *status quo* which, in the interests of the more vigorous prosecution of the workers' cause, it is essential to disturb. The craft difficulty is more fundamental, and it may be admitted that some Industrial Unionists have not sufficiently taken into account the just claims and natural apprehensions of the craftsman. The Miners' Federation, for instance, might be more successful in its struggle to enrol the surface workers if it conceded something to their natural and legitimate desire for sectional representation, and took steps to provide for this explicitly in the constitution of the Federation. That there is nothing impossible about the reconciliation of organisation upon industrial lines with representation for the craft, we have already shown in the quotation given above from the constitution of the N.U.R. It is by some such provision as this that the hostility of Craft Unionism is most likely to be undermined and the path to amalgamation robbed of one of its most genuine terrors.

Further and more concrete obstacles to amalgamation are financial and legal; difficulties are raised by the existence of varying benefit scales and unequal reserve funds, and by the necessity of conforming with a law which has, in the past at any rate, made the attainment of a fusion between Unions desiring it unreasonably difficult. The financial difficulty often looms very large before Trade Unionists, and it has wrecked many promising schemes of amalgamation. Perhaps it would be more accurate to say that this has often served as an excuse to wreck schemes

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to which some at least of their nominal promoters were secretly opposed, the means of frustrating them being to prey upon the ever-present suspicion of the Trade Unionist that someone is after his funds. The member of a wealthy society wants to be assured that the desire of less opulent Unions to bring about an amalgamation is not motived by secret ambition of financial gain. This suspicion is generally as groundless as it is unnecessary, for it is not beyond the wit of leaders sincerely desiring amalgamation to devise schemes of benefit which will safeguard every legitimate claim of the wealthier Union, even when that Union is not prepared to surrender some immediate material advantages in return for the greater moral and economic gain that the amalgamation signifies. To discuss means by which this may be done would take us into technical details outside the scale of this book.[1] But it is substantially true that, in this respect as in the others with which we have dealt, the will to amalgamation is the key to its attainment, and that where there is a will to overcome the financial obstacles a way will ultimately be found.

The legal obstacle, which in the past has proved formidable, is likely to prove less so in the future owing to the recent passage of a Bill promoted by Mr. John Hodge, in sponsoring which he conferred a greater service on the workers than by all the reflected glory he may have thought to shed upon them by his own triumphant rise to power. Previously it was necessary to obtain a vote from

[1] The difficulty arises principally in regard to superannuation benefit, the claims of which constitute a frequent danger to the soundness of Trade Union finance.

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two-thirds of the members of each Union concerned before an amalgamation between them became legal. The difficulty of securing a ballot from such a large proportion of Trade Unionists is notorious, and there is no good reason why so foolish a provision should have been allowed to obstruct the course of Trade Union reorganisation so long. The situation has now been largely, though not completely, remedied by the passage in July, 1917, of Mr. Hodge's Bill,[1] and good results may be expected to flow from it. But where a formal amalgamation still proves, for one reason or another, too difficult, a useful and interesting alternative is provided by a scheme of confederation such as has been adopted with so much success by the iron and steel trades. By this arrangement the Unions which are a party to it agree to accept no further members ; all further applicants for membership become members of the Confederation, to which members of the constituent Unions may also transfer, if they so wish. Thus, as the old bodies die out from lack of membership, a new association comes into existence to represent the unity which the original Unions were unable by other means to achieve.[2]

V. The spread of Industrial Unionism tends naturally to stimulate the amalgamation movement, but there is another sphere in which the tendency to amalgamation has been spreading recently, after

[1] As a result of this Act, amalgamation between two or more Trade Unions may take place if 50 per cent. of the members entitled to vote record their votes, and if of those 20 per cent. more vote in favour than vote against.

[2] For a full account of the Iron and Steel Trades Confederation scheme, see the *Labour Year Book*, 1918.

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many disappointments, with an almost sensational swiftness, and with the promise of important results. This is among the Unions catering for general labourers. We have seen already how well over half a million general labourers are grouped in the three largest Unions catering for them; and there is a good prospect that these three and their next largest rival will merge from four competing Unions into two amalgamations, which in their turn would seem likely to favour a further and final amalgamation and to enrol the vast majority of organised general labourers under a single banner, with a membership of approximately 700,000.

This marshalling of forces on the part of the unskilled worker is of great significance and importance; but, though the amalgamation of competing Unions is always a step in the right direction, we must not draw the hasty deduction that those who promote it necessarily mean to continue any further along the road of which amalgamation marks but the first milestone. Before we can be sure whether the schemes for closer unity among general workers are likely to strengthen the Labour movement as a whole, we must first be clear as to the precise function of the general labour Union in relation to the rest of Trade Unionism. Secondly, we must discover how far that function is accepted and its fulfilment aimed at by the general labour Unions themselves.

It is clear that, for all those who share the views upon the purpose and organisation of Trade Unionism sketched out in this chapter, there can be no question of the matter being considered from the standpoint of the unskilled worker alone. If the general labour

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Unions are to consolidate their forces, it must not be with the object of merely playing for their own hand. Yet the danger of civil war in the world of Labour is never far away, and nothing would suit the employers better than to drive a wedge between the "aristocracy of Labour" and the mass of the less skilled. One of the strongest points in favour of Industrial Unionism as a method of fighting the capitalist is that, in proportion as it is accepted and acted upon, his prospect of dividing the workers and so commanding them disappears. In the Industrial Union there must be organised every grade of worker whose services contribute to the finished product that the industry is concerned to turn out; there must be no artificial limits imposed, beneath which the labour of the worker is not considered to be of sufficient importance to warrant his organisation alongside those to whom the possession of skill, or maybe merely tradition, has guaranteed a higher price in the labour-market. It may be replied that a limit can be discovered which is not artificial, by counting all those the nature of whose labour is such that it may equally well be employed in a number of industries, as not being specifically concerned with the industry in question. These "general labourers," it is argued, are a class apart, and should be organised apart. But even if we admit—what is, of course, the case—that there does exist a class of mobile labour which passes indifferently from one industry to another according to the demands of the labour-market, it does not follow either that this genuine type of "general labour" is synonymous with what is generally termed "unskilled labour," or that the

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Industrial Union, where it exists, should not have any control over the general labourer during the time when he is actually engaged in the industry which it covers. The solution of the latter problem is largely a matter of administrative detail concerned with the transference of membership cards and mutual arrangements for the payment of contributions for industrial benefits. It cannot be discussed here, but it certainly offers no very serious difficulty if approached by the parties concerned with a sincere desire to effect a settlement; while, as for the gulf presumed to yawn between the skilled and the unskilled, it is well known that the recent tendency of industrial development—a tendency greatly accelerated by the War—has been to narrow the gap by the evolution of methods of production which create a large mass of "semi-skilled" workers in the middle, alike infringing on the monopoly of the skilled and raising the standing (and incidentally the wages) of the unskilled.

It is not particularly fruitful either to rejoice in this tendency or to weep over it, but it is important to recognise its existence, since it may give rise to grave discussion between the skilled Unions and the general labour Unions when the moment comes to open the whole question of the restoration of Trade Union rights after the War.[1] This is not the place to discuss this knotty problem,[2] except to say that it provides a most cogent example of the need for a proper adjustment of relations between the skilled Unions, who have the letter of the law on their side,

[1] See in this connection an interesting and valuable article entitled "The Control of Labour" in the *New Statesman* for November 24th, 1917.
[2] See below, chapter vi., pp. 219–229.

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and the general labour Unions, who have the tendencies of industrial evolution and a growing consciousness of power upon theirs. A serious conflict might prove a disaster which would split Trade Unionism from top to bottom and result in grave loss to both sides and ruin to the hopes of Labour's emancipation. No doubt, the ultimate solution lies in Industrial Unionism, but it is just in those industries where that solution seems least in prospect that the problem is likely to arise in its sharpest form—particularly, of course, in engineering.

To treat of the difficulties involved would be to pass beyond the space and the scope of this chapter, where examples are cited only in order to call attention to the principles which lie behind. The principle here is the simple one of solidarity; the root problem is the most efficient expression of that principle in organisation. But solidarity cannot be satisfied by a horizontal organisation of Labour into two great opposing brigades of artisans and general labourers, struggling for members across an ill-defined and fluctuating border-line. It demands rather a vertical organisation of Industrial Unions, ever widening to include the converts to Trade Unionism which the general labour Unions make. The general labour Unions must conceive themselves as pioneers; like all pioneers', it will be their mission to serve the cause for which they struggle rather than to serve themselves. They must strive rather to grow smaller by surrendering their members to the Union which can most appropriately organise those members than to grow larger by setting up a class of semi-skilled workers in opposition to the skilled

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artisans.[1] Naturally this involves a reciprocal obligation on the part of the skilled workers to offer a fair share of control over the affairs of the Union to the less skilled workers who join them; it is clear that the matter will be infinitely simpler where an Industrial Union exists to obviate the problems of overlapping and to express in concrete form the principle of solidarity. Though this solution doubtless involves many difficulties, it is fundamentally sound; and no other is compatible with the interests of Trade Unionism, conceived as a whole.

It is natural that such an apparently altruist principle—however much it may serve the interests of all the workers in the long run—requires more imagination and a higher sense of solidarity than one can as yet expect the majority of Trade Unionists to show. Some such principle is, however, generally accepted by certain of the organisations concerned, as, for instance, the Workers' Union, though its acceptance does not always lead to its realisation in fact. The difficulty arises not merely from disputes about the proper organisation of some class of workers in a centre where branches both of general labour Unions and artisan Unions exist; it arises, too, as a result of pioneering work done by a general labour Union in a district where the scattered population has not warranted the artisan Unions troubling to organise the few persons qualified for their membership. A shifting of population may induce these Unions to start branches; they then find

[1] See G. D. H. Cole, *The World of Labour*, p. 240. "The general labour Union," he says, "ought to be a sort of clearing-house, retaining only such members as could not well be permanently organised in any other way."

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themselves in conflict with the general labour Union over the right to entice away members who clearly should belong to a skilled Union. The proper solution of these difficulties will involve unselfishness on the part of the general labour Union and patience from the artisans; but unless the growing strength of the former develops an egotism which overbalances their devotion to the cause of Labour as a whole, a solution is not impossible.

§ 3. The Future of Trade Union Policy

We have indicated what seems to us the only future for Trade Unionism compatible with the safety of society and the liberty of the worker. We have stated the principles on which its reconstruction must be founded, and outlined the main details of structure which its reorganisation on the lines of Industrial Unionism will necessitate. It remains to suggest what should be the immediate policy of an alert and spirited Trade Unionism in its relations with the capitalist, whom it recognises as an enemy (of society no less than of itself), and with the State, whom it perceives as destined to be its partner on the "morrow of the social revolution" when both shall have thrown off their allegiance to the creeds and codes of the profiteer. We shall be dealing in this chapter only with the immediate problems of Trade Unionism; the larger issues which arise when we consider the transition to the Guilds receive treatment in a separate section. Moreover, we shall be touching only upon such problems as bear directly upon the question of how the worker, through his

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Industrial Unions and workshop committees,[1] may gain that control of production which is the indispensable preliminary to an advance to the Guilds. We do not deny that there are many other problems, including all those comprised under the heading of "wages questions," which are temporarily of the highest importance to the workers. But, just as in sketching briefly the past of Trade Unionism we touched only upon those items in it which were of significance from the standpoint of the Guild idea, so in discussing its immediate future we shall deal simply with those problems which involve the status of the workers, and not merely with those others (however immediately urgent and important) which concern their comfort or security. This we shall do, not merely for reasons of space, but because we believe that if Trade Unionists seek first the cause of emancipation and its righteousness, all else shall be added unto them.

Before we can turn to discuss how the worker may render more real his status as a free man, we have first to consider how he may preserve it. We have dealt in an earlier chapter with the menace of the Servile State, but here we are thinking of one particular method by which that menace might be most swiftly and decisively realised. We mean the withdrawal from the worker of the right to strike. The very phrase, "the right to strike," is a perilous one, since it suggests that the decision to cease

[1] We do not wish to be taken as implying that the structure of Trade Unionism must be perfected before any problems of policy can be attacked. The two are really inseparable, and each will help to determine the other. But if the policy which we shall suggest is to be successfully followed out, it will render only more urgent the structural changes we have discussed.

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labouring for the private profit of others is not a choice that any worker may naturally and freely make, but a privilege conceded to him by society. The right to combine in the refusal of labour-power to those who purchase it is an assertion of the collective free-will of Labour, with the vanishing of which its degradation would be complete. There is therefore a sense in which every strike is morally justifiable, however much it may be politically inexpedient or ill-chosen. It reminds the profiteer that his human machinery differs fundamentally from the rest of his plant in possessing a will of its own, and that, if it is his "most precious raw material," it is also the most precarious. It reminds the public that somewhere at the bottom of the huge impersonal apparatus of modern production there is after all a personality, debased, degraded, and denied, but a personality none the less. "The British Public," Mr. G. K. Chesterton has said, "only remembers the British workman when he stops working." It is just as well that the public should be reminded of the worker by means of a strike, if no less drastic a method will suffice. Moreover, the strike is an outward and visible sign of that class-struggle the existence of which the worker is only too ready himself to ignore; for in the vast majority of cases everyday life means for him the crushing of initiative, the extinction of every natural enthusiasm, and a slow sapping of all those qualities which are indispensable to his deliverance from wage-slavery. The strike demands courage, imagination, and a strong sense of *esprit de corps*. Even a foolish and mistaken strike has something

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manly about it. A well-known Trade Unionist has said that

> The workshop life of Labour is of a humdrum, uneventful character. Because there is an almost entire lack of power, there is an equal lack of responsibility. The strike and the agitation afford a break in the eternal routine and monotony; it ministers to the love of adventure, and anything is better than accepting as final the present unfair and unequal system of production, to say nothing of its distribution.[1]

It may be asked how the right to strike can ever be taken away from a Labour movement determined to enforce it. Is not the danger a mythical one, since you can take the Trade Unionist to the workshop, but you cannot make him work? The fallacy in this question lies in the assumption that Labour is united in holding precious its free status, conscious of the peril in which it stands, and determined at all hazards, and despite all temptations to barter it away, that it will preserve it as the indispensable preliminary to every advance of which it dreams. No doubt it would be impossible to force the great mass of the workers to continue at work against their will by bluntly declaring that compulsion would be applied to them. In the crisis which the War emergency has created, not even the genuine patriotism of the workers—more genuine perhaps than that of any other class of civilians—has prevented them rising in indignant protest at the more blatant and clumsy attempts of the bureaucracy to treat them undisguisedly as industrial serfs. But

[1] Mr. F. S. Button, of the A.S.E. See *Industrial Reconstruction*, p. 104.

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it is not the open and confessed efforts to impose industrial compulsion on the workers which are likely to achieve their end. It is the subtle and plausible assumption that, since industrial peace is a good thing for all concerned, it must be preserved by an impartial State interfering to procure for the worker a reasonable standard of wages and conditions, and guaranteeing to the employer in return the punishment of such of his work-people as show themselves to be insatiable and irresponsible—in short, by the introduction of compulsory arbitration. "Impossible!" it may be objected. "Has not the Trade Union movement repeatedly protested that it will not touch the accursed thing?" It has indeed; but there is much to make one doubt whether the protest was clearly understood, and whether in the imagined millennium of Reconstruction a State sanction for "industrial harmony" may not make an irresistible appeal to the many among the working class, and especially to the leaders, on whom there has settled a natural but very dangerous "class-war-weariness."[1] The illusion of impartiality in industrial issues is very deep-rooted, even amongst the workers themselves, and it sometimes takes yet stranger forms than a belief in State intervention. It has been stated by the representative of a large Employers' Federation that, in the case of any dispute with a federated firm, the Unions were

[1] "At present, as the general debate at the 1912 Trades Union Congress revealed, they [the Unions] have the haziest idea of what the whole subject implies. Generally speaking, there is a vague objection to compulsory arbitration; but the objection seems to be so much a matter of words that it is very doubtful if such a proposal would not be accepted, were it called something else."—G. D. H. Cole, in *The World of Labour*, p. 290.

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encouraged to take the matter direct to the Federation itself, since they could regard it as an impartial authority 'and did in fact so regard it! If the workers can find impartiality in the tribunals of the master-class, how much more ready will they be to recognise it in the impersonal detachment of the Sovereign State?

Our criticism of this assumption—that the standpoint of the State and the practice of its officials is likely to be impartial—is based not so much on the conviction that State interference will upset the *status quo* between Capital and Labour, as on the fear, amounting almost to certainty, that it will attempt to preserve it. There is no more painstaking promoter of a patched-up peace in industry than the Government official. There is no wage dispute in which he is not prepared to split the difference between the demands of masters and men with all the air of having hit upon the sole solution compatible not merely with the claims of abstract justice, but with the circumstances of the case. If the wisdom of Solomon is necessarily exemplified by following his precedent of giving each claimant half of what he asks for, the "impartial person" may doubtless pride himself on being as wise as he is neutral. But when we are at issue with the wage-system itself, it is not so obvious that neutrality can be reconciled with wisdom. Confronted with this fundamental problem, the "impartial person" is an impossible person! He does not exist, and he never can exist. If we have any doubt upon which side of this question the impartial chairman is likely to be found, we have only to ask ourselves

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with which party to the issue he is likely, when negotiations are concluded for the day, to go out to dinner. And since there is every reason to hope that disputes between Capital and Labour will turn more and more upon questions of "discipline and management," suggesting the first beginnings of a repudiation of the wage-system, it is increasingly important that nothing should be done to give compulsory powers, or indeed any kind of very considerable powers, to outside chairmen, whose impartiality is never likely to extend to open-mindedness on the fundamental question of whether industry should be autocratically controlled in the interests of profit, or democratically controlled by the worker in the interests of society and of themselves.[1]

It is improbable, as we have seen, that the right to strike will be explicitly withdrawn from the worker by the State (which has, in fact, never conferred it on him), even though the "right to work" for which Labour has so often contended—in a rather muddle-headed way, it must be admitted—were to be conceded in return. No doubt the capitalists would be only too glad to see a bargain driven so essentially satisfactory to themselves. But whatever the leaders of Labour may be prepared to accept in this direction, it is to be hoped that the rank and file would see, were it plainly put before them, that there is another right far more vital to the worker than the right to work; this is the right not to work, if he so chooses. The danger is that the penalty for refusal to work on "reasonable"

[1] We may recall in this connection the outburst of the chairman of the Glasgow Munitions Tribunal quoted earlier in this chapter. See above, pp. 101–102.

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terms may be introduced gradually under specious disguises, or retained (under pretexts even more specious) from the War legislation by which the evil precedent has been so thoroughly established. It may be that the imposition of an arbitrary standard on the worker by external authority may be carried out in a manner reminiscent of the schoolboy's answer to the problem of the authorship of the Homeric poems, which he declared "were not by Homer, but by another gentleman with the same name." However this may be, if such an invasion of the right to strike (or, rather, of the legal recognition of it) were in fact to take place, it would be unlikely to be the only one. The Trade Disputes Act, passed into law so precariously a dozen years ago,[1] has long been marked out for repeal by a powerful section of the employing class; should their object be realised, any Union could then be mulcted in respect of its funds for financial damages claimed to be inflicted by its officers and members as the result of a trade dispute. It is clear that in such circumstances the funds of no Union could hope to surv ve many strikes, and the power of Trade Unionism would be effectively destroyed. The unlimited exercise of such powers as the repeal of this Act would confer on employers might well

[1] The passage of this Act in 1906 is often attributed by enthusiastic supporters of political action to the recent appearance in Parliament of some forty Labour members. But it is certain that many at least of those who voted for it did so in the secret anticipation that the House of Lords would throw out the Bill. The Upper House, however, was not without suspicion that the onus of unpopularity was intended thus to be transferred to it, and passed the Bill, preferring, as Lord Lansdowne put it, to join issue "on ground more advantageous to ourselves." Thus one of the very few pieces of legislation passed by the Liberal Government which was of any real value to Labour became law very largely by accident.

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provoke a revolution, but a wise Capitalism, while carefully abstaining from carrying the matter to this point, might inflict upon the resources of Trade Unionism damaging raids by which its activities would be seriously crippled.

The strike, then, is a weapon which it is vital for Labour to preserve against all attempts, direct or indirect, that would result in diminishing its power. But it does not follow that this power should be constantly resorted to or lightly exercised. A strong and well-organised Trade Unionism would aim at few strikes, and these directed to the establishment of some important principle, well understood and openly proclaimed. What such principles should be will form the subject-matter of much of the remainder of this chapter. But it is better that even these should be established where possible by organisation and determination sufficient to convince those against whom they are directed that it would be unwise to oppose the combination of conscious will and economic power which they represent. Labour need never be ashamed of any victory, however " bloodless," which leaves it in occupation of the territory of its adversaries. Moreover, the machinery of negotiation may be employed to advance the interests of Labour in the future as effectively as it has often been employed to defeat them in the past. The workers, as they advance in strength of purpose and of organisation in support of that purpose, will be better able to turn schemes of conciliation into schemes for the consolidation of their own industrial power. It is not to the interest of either the capitalist or the workman to precipitate

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a stoppage when the issues can be resolved by discussion based on the economic strength of either party. If that discussion fails, recourse may be had to a trial of the strength that lies behind. As long as no principle is thereby compromised, as long as no "joint responsibility" is thrust upon the workers—for whom any true responsibility is impossible while the wage-system be maintained—as long as no external authority is called in to impose a settlement, then the machinery of negotiation is valuable and even indispensable to the worker in saving him from continually falling back upon his Union funds with the arrival of every fresh matter for dispute with the employer.[1]

The working of conciliation schemes in the past has often been such as to inspire amongst Trade Unionists the deepest mistrust of every kind of negotiation machinery between employers and themselves. This feeling arises partly from a confusion between schemes of *arbitration* and those other forms of collective bargaining which do not involve any submission to the decision of an outside party; and partly from the unwise provisions which certain important conciliation schemes have contained. The true remedy, however, lies not in rejecting the existing machinery of negotiation altogether, but in stripping it of its oppressive and objectionable features. The workers must get rid of the "impartial" and impossible person; they must refuse to enter into long time-agreements which might hamper their action in the event of

[1] Mr. Cole has well described conciliation as "the diplomacy of Industrialism," in *The World of Labour*, p. 48.

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unforeseen circumstances, and they must provide for the termination of all agreements covering an industry (and perhaps all industries) at the same moment; they must refuse to allow the employer to rule out of discussion any matter concerning their working lives; and they must be careful to accept no scheme which provides for the separation of different grades within the industry. Above all they must not be betrayed into assuming any sort of joint responsibility—an idea as essentially fallacious as it would prove perilous in practice.

> It is this very assumption [of responsibility], however, that invalidates the "justice" of every act of conciliation; for in actual fact the two sides are not equally responsible, but one is responsible (namely, Capital), while the other is not. Even upon this footing, nevertheless, conciliation may proceed, since industry must be carried on even when one of the parties has no responsibility in the matter. Conciliation is thus a capitalists' device for appearing to be just, and Labour's device for appearing to be reasonable.[1]

The whole subject is far too large to be dealt with here,[2] but an interesting illustration of the importance of wisely drafted schemes of conciliation is afforded by the example of Trade Union experience in this direction on the railways.[3] The matter can perhaps best be summarised by calling attention to the main features of the 1916 conciliation scheme,

[1] A. R. Orage, *An Alphabet of Economics*, p. 19. The possibility of joint responsibility is discussed in connection with the Whitley Report in the following chapter.

[2] See as an introduction to the subject chapter ix. in *The World of Labour*.

[3] There is an excellent account in *Trade Unionism on the Railways*, chapters iii., vii., viii., ix. The various conciliation schemes are reprinted at the end of that volume.

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which was unanimously recommended by the executive of the N.U.R. to the special general meeting of its members, and very significantly rejected by that body. The scheme was admittedly an improvement on the 1911 scheme it was designed to replace, but it did not represent the advance which the sensational increase in the strength and organisation of Trade Unionism on the railways had led the majority of railwaymen to anticipate. None of the chief provisions could be described as satisfactory. In the first place, the principle of recognition (which the railway companies have been even slower than other capitalist corporations to concede) was not clearly and explicitly granted, so that an Industrial Union with a membership of over 300,000 remained without the standing enjoyed for years by the majority of sectional Unions with only a tithe of the numbers and influence of the N.U.R. Secondly, the scheme failed to obtain the right, anxiously and rightly sought for by the men, to include within the scope of the Boards questions of discipline and management. In these matters the companies have jealously guarded their prerogative; yet it is in regard to them that "unauthorised" strikes have most frequently broken out upon the railways. As the Guard Richardson case showed, the men, far from being naturally irresponsible, are in some respects at any rate even more capable of looking after the interests of the public than their employers.[1] Again, the clerks at one end and the workers on the railway shops at the other were both excluded from co-operation with the manipulative grades—a decision

[1] See *Trade Unionism on the Railways*, chapter v.

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which was by no means in harmony with the Industrial Unionist principles of the N.U.R., as also was not the maintenance of a separate Board of Conciliation for each grade, the existence of which runs counter to the contention of the N.U.R. that the interests of all grades are ultimately the same.[1] Further, though the scheme provided for the abolition of the impartial chairman with a final power of decision, the element of arbitration was not completely eliminated, since it was proposed to set up two assessors (one from each side) in his place, who, should they disagree, had power to appoint an umpire, to whom the right of decision would then pass. Finally, the scheme was to run for at least three years, and only after this period did it become terminable at twelve months' notice. The rejection of this scheme, after the executive had argued strongly in its favour, not only testified to a valuable spirit of independence in the N.U.R., but showed how alive this Union was to the essentials of a sound system of negotiation.[2] The whole incident affords a valuable concrete example of the distinction between schemes of conciliation which may retard the healthy development of Trade Unionism and schemes which may serve to promote it.

The importance of negotiation depends not merely upon its value as a means of securing victories for Trade Unionism without resort to a strike, but upon its possibilities as a training-ground for future control by Trade Unionists in the sphere of production.

[1] It is difficult to see, however, how in face of the opposition of the Locomotive Men's Society this could have been altered.

[2] The executive has now prepared a fresh draft scheme, and the matter is still under discussion with the companies.

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Control is the logical development of negotiation, as negotiation is itself the logical development of recognition; once the worker has established his right to interference in questions of discipline and management, the prospect of encroaching upon the employer's prerogative in the control of production begins to open before him. The immediate task of Trade Unionism in the well-organised industries must be expressed in the watchword of "Encroaching Control." This is not the place to discuss the thorny subject of whether that control should be in all cases "exclusive control" by the Union, or if it may on occasion take the form of "divided control" with the capitalist and his representatives.[1] Nor can we trace in this chapter the implications of this principle beyond its earliest stages.[2] But as the extension of control over production must be the principal goal of Trade Unionism, if it is to aspire to any future more exalted than that of a passive servitude to the purposes of profit, we will turn now to consider in what ways a task of such vital importance may be best begun.

In doing so there are certain matters which we shall take for granted, without further discussion of them. One is that, in proportion as the Trade Unions develop the spirit and imagination to put forward concrete claims to instalments of control, they will prove themselves capable of fulfilling the tasks that they accept. In view of the success of the Co-operative movement—to say nothing of the creation and development of Trade Unionism—there

[1] See below, chapter ix., pp. 430–442.
[2] See below, chapter vii., pp. 284–292.

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is not much reason to doubt the administrative capacity of the British workman ; it is well known that many of the important and responsible posts at the head of our great industrial concerns are held by men who have risen from the ranks of the workers. In view of these facts, the surprising thing about Trade Unionism is rather its modesty and diffidence than any tendency in it to undue ambition and presumption in putting forward its claims. The workers are still under the spell of the ideas of individual "self-help," and, though they may believe that Samuel Smiles was right in showing to what heights the individual may climb by a careful devotion to his personal interest, they do not yet see that what is possible for one in isolation may be no less possible for the many in association. Trade Unionism must have for its purpose the transformation of the instinct for individual self-help into the conscious determination to climb to a nobler status side by side.

We shall assume, moreover, that it is no longer necessary to urge the need for a full and explicit recognition of Trade Unionism, and that in those cases where this has not yet been fully won (as, for example, in such an important instance as that of the railways) it will be urgently and ceaselessly contended for until it is achieved. Again, we shall not multiply arguments to show how much easier will become the attainment of victory in the sphere of control in proportion as the principles of Industrial Unionism are accepted and the structural changes consequent thereon satisfactorily brought about. Nor need we demonstrate the importance of eliminating the

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non-Unionist and realising as soon as may be the ideal of the "blackleg-proof Union." But in this connection there is a preliminary question of policy which it is necessary to dispose of before we can pass on to consider the best means of applying the maxim of "Encroaching Control." This is the question described rather loosely in the phrase "Compulsory Trade Unionism"—a subject in which interest was revived by its finding mention in the tentative and very unsatisfactory after-war programme accepted by the 1916 Trades Union Congress on the motion of the London Society of Compositors. This programme was not reaffirmed by the Congress in 1917; but the question of Compulsory Trade Unionism is sufficiently important to demand examination.

It is obvious that Trade Unionism might be made compulsory in three ways: by the State through legislation, or by the employer after agreement with the Trade Unions or even without any definite agreement, or by the pressure of the Trade Unions themselves. Clearly, our verdict on Compulsory Trade Unionism will depend very largely on which of these methods is being advocated when the phrase is used. Probably it is the first suggestion which is most commonly intended by those who employ it. This form is perhaps the most objectionable of the three.[1] If the Unions stoop to accept at the hands of the State favours that they are not strong enough to win for themselves, they will be likely to find that the State demands more than a *quid pro quo* in the

[1] It does not follow, however, that the State cannot do anything to foster Trade Unionism; on the contrary, it may usefully do much, but not by methods of compulsion.

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direction of control over the Unions' freedom of action. The Unions, indeed, will be in a like case to those early inhabitants of Britain who called in the aid of warriors from over the seas to defend them against their enemies and found themselves before long subject to the sway of those whom they had counted upon as deliverers. Trade Union independence of any external authority is a vital principle which must be maintained at all costs ; no apparent accession of strength which might accrue to the Unions could be safely purchased at the price of their passing into being mere administrative organs of the State. Moreover, conscription of the workers for the Trade Union army, enforced by statute, would be more open even than any other form of compulsory Trade Unionism to the important objection that an unwilling Trade Unionist is a bad Trade Unionist, and that an influx of reluctant members with a grievance against the organisations to which they were attached might do more to weaken Trade Unionism than to strengthen it.

There is a good deal of force in this contention, and it is to some extent valid against the other methods mentioned above of enforcing membership of a Trade Union. The proposal that the Unions should covenant with the employer that he should require membership of a Trade Union as a condition of engagement for his work-people may appear innocent enough at a first glance ; but, in addition to the danger already indicated, there is the further one that to hand over the power of insisting on membership of a Trade Union would be to place a very useful weapon in the hands of employers in those industries

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where a number of competing Unions exist. The employers would be thereby enabled, by judicious apportioning out of their work-people, to foster just those very jealousies and divisions between sectional societies which do so much to impair the strength of the workers; while, if a single powerful Union, or a small group of powerful Unions, succeeded in bargaining with an employer to accept only their members in his works, there would be produced just that kind of alliance, between the masters and a group of the workers against the remainder, which would serve most successfully to obscure the true issues of modern industry, and which it is most important to avoid.

It is certain that, whatever degree of compulsion the Trade Unions may decide to apply to those members of the working class who accept the benefits of organisation without embracing its burdens and its risks, they must resolve to apply it themselves. Non-Unionists are broadly of three kinds: the deliberate blackleg, who is prepared to disregard the standards of his fellow workers and to play for his own hand without scruple and without shame; the apathetic type of shirker, who is, as often as not, a lapsed member; and a little handful of people who object either "conscientiously" or cantankerously to the principles of Trade Unionism. These differing types call for different treatment. The blackleg is from the outlook of any spirited form of Trade Unionism an outlaw, and he deserves to be treated as an outlaw to whom no mercy should be shown. The apathetic type may best be stimulated by the example of vigorous Trade Union action and the

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successes which it is likely to carry with it ; should he continue recalcitrant, Trade Unionists would do well in refusing to work side by side with him while he remains outside the organisation which has a claim upon his allegiance.[1] As for the genuine "objector," he will seldom be found in large enough numbers to make his refusal to join the Union a matter of any serious consequence. To embark on long and costly strikes (as has been done in some cases) in order to force single individuals to join a Union they are resolved not to join in any circumstances (and whose abstention is of no practical importance) is a piece of doctrinaire futility unworthy of an intelligent Trade Unionism. A problem may arise later, should a substantial section of the workers "conscientiously" object to a policy of assault upon Capitalism embraced by the majority of keen Trade Unionists ; but this is a bridge that Labour need not cross until it comes to it. The steady development of a conscious purpose to control the circumstances of their lives in the workshops is far more likely to unite the workers than to divide them. When Trade Unionists have something of consequence to quarrel about with their masters, they will give up quarrelling amongst themselves.

The ground is now clear for a consideration of how "Encroaching Control" may be translated into practice. It is obvious that the circumstances of

[1] "The question of compulsory political action being now more or less out of the way, a man can have no reasonable excuse except stupidity for not joining the Union in which his fellows are organised—and mere stupidity, as well as knavery, has to be coerced where coercion serves a useful object. Either from stupidity or from deliberate treachery, the non-Unionist in an organised industry is a traitor to his class—and the workers have no use for traitors."—G. D. H. Cole, *The World of Labour*, p. 376.

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every industry are so different that no policy will apply in the same way to the conditions, for example, in a workshop and at a railway station, at a pit and in a local post office. It is very necessary that Guildsmen should undertake the tasks of formulating a Guild programme for each industry.[1] In the meantime we can only say generally that the watch-word of the workers everywhere in regard to schemes of control should be *Invasion, not admission.* They must not wait for an invitation from their masters to share the burdens of discipline and responsibility; they must themselves lay down the terms on which they are prepared to sell their labour. These terms will deal not merely with the amount of the price to be paid for the labour, but with the circumstances under which the labour is to be employed; and they will cover such vital and immediate issues as the restoration of Trade Union rules and customs, payment by results, and the collective contract. We shall discuss the first of these points at a later stage in this book, while the second is of too technical a character to fall within our scope. We may observe in passing, however, that there is one form of "Trade Union Rules" which has yet to be developed; these are Trade Union rules relating to the regulations of affairs inside the workshop. We can best illustrate what we mean by quoting a by-law issued by the Ministry of Munitions a few months after the passage of the Munitions Act:

The owner of any controlled establishment shall as soon as possible post [his] rules relating to order, discipline,

[1] This has already been begun by the National Guilds League in their pamphlets *Towards a Miners' Guild* and *Towards a National Railway Guild.*

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timekeeping, and efficiency conspicuously in his establishment, so as to bring them to the knowledge of workmen employed therein.

Industrial democracy, like many other valuable things, can best be appreciated by a consideration of its opposite; and this example of chartered Capitalism is of real value in that respect. At a moment when the workers were being asked and were consenting with an almost surprising unanimity to surrender the rules they had established by years of struggle and which gave them a certain negative control of industry, the employer is endowed by the State with a considerable extension of his autocracy over his work-people by the guarantee of support from a Government Department.[1] So far from accepting such a mean and miserable subterfuge, the workers should, of course, have demanded precisely the opposite. "We will surrender that negative control which our restrictions give us," they might have said, "since the State demands it in the national interest, but only on the understanding that we obtain a measure of positive control in return. We will make ourselves responsible for the workshop; the rules which may be hung up there we will determine ourselves. The State may for the time being deal with the capitalist in regard to the product, but in regard to production it must deal with us."

Workshop rules may seem a small thing, but anything which subtracts from the autocracy of the capitalist is worth having. When we come to the

[1] Non-compliance by the workers with these rules became an offence against the Munitions Act.

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Collective Contract,[1] however, we undoubtedly reach a point in the immediate programme of Guild theory of the utmost significance and value. By the application of this proposal a principle of great importance may be introduced—namely, that individual relations between the capitalist and the wage-earner should give way to relations between the capitalist and the Trade Union. So long as the workers sell their labour, let them declare that they will only do so through the sole channel of communication with the employer which they are prepared to recognise—the Trade Union, with its allied trades committees in the district and its shop committees in the works! One development of this principle might take the form of a demand that the members of a Union should no longer be paid wages on an individual basis; but that the employers should hand over a lump sum to the Union itself, which it should divide amongst its members on lines agreed upon within the Union. This sum should not in any way depend upon the price at which the product might be sold nor upon the amount of the capitalist's profits; it would be in the nature of a standard rate. The individual standard rates which the Union merely intervened to secure for the individual worker in his bargaining with the employer would give way to a collective standard rate in regard to which the Union would assume complete authority

[1] The elaboration of this idea has been the special contribution of the Glasgow Group of the National Guilds League through their excellent monthly, the *Guildsman*. See, for instance, the article on "Collective Contract" in the issue for December, 1917, the Editorial Notes for May and October, 1917, and a memorandum, "Towards Industrial Democracy," in the issue for June, 1917; the last has since been reprinted by the Paisley Trades Council.

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before the capitalist in the name of the workers he employed. The profiteer would be bargaining no longer with his individual wage-slaves, assisted in the process by a Trade Union; he would be face to face with a new authority fundamentally inconsistent with his own, and already preparing to challenge it by assuming functions in regard to his work-people which he had hitherto fulfilled. He would be forced to recognise that the children are growing up, and that, though their labour may still support him in comfort, he is no longer undisputed master in his own house.

This is even more obvious in the case of the Collective Contract itself. A contract system is already in existence in certain engineering shops and shipbuilding yards; by the development of this under Trade Union control (through shop committees in the first instance, and, at a later stage, upwards to the works and even the district) the whole relationship of the wage-earner to the capitalist may be fundamentally changed, and a large degree of control over production secured to the workers through their Union machinery without taint of co-partnership or complicity in profiteering. We have no wish to paraphrase what has already been clearly expounded by others; we prefer to quote the following excellent summary of the proposal, from the columns of the *Guildsman*[1]:

Under the Contract-System a workman or group of workmen in partnership enter into a contract with a firm to perform a particular piece of work, say, to construct a steel mast or part of the framing of a ship or to erect a piece of machinery, for a price agreed upon beforehand.

[1] See the "Notes of the Month" for May, 1917.

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In some cases the contractors engage their own men and pay them, pocketing whatever profits the transaction may yield. Now, we would point out that men working under these conditions are in a very different relation towards the employer or manager from the ordinary hour-to-hour wage-earner. Where they are concerned, the foreman is little more than an inspector, scrutinising only the quality of their workmanship and exercising a very limited authority over them. The real authority, the effective control, has been transferred to the sub-contracting boss of the squad.

Our proposal is briefly, then, that the shop committee, democratically elected by the Trade Unionists in the workshop, should be substituted for this chief of the squad, and that the squad should be extended to include the whole body of the workers in the firm. The committee would assume complete control, and the principle of petty profiteering—which is, of course, no less objectionable in the workman than in the employer—would disappear. The committee would be the sole medium of communication and contract between the management and the workman; so that the employer would no longer have any dealings whatever with individual workers. The foreman, if the office were not abolished, would retain merely the status of inspector, a shadow of his former self. His power would pass to the convener or leader of the committee. We see no reason why the shop committee should not eventually take over, either in a single large contract or in a multitude of smaller contracts, the entire production of the works, reporting to the Trade Unions periodically, perhaps weekly, the amount due to each man. The employer would remit the contract price and the men would be paid, possibly through their Trade Unions, and by whatever system they cared to adopt, since it would no longer be the concern of the employer. It is conceivable that specially enlightened shops might go in for equal payment. An important feature of all contracts under these new conditions would be a clause

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limiting the responsibility of the committee to the actual business of production. That is to say, they would not be held answerable for any stoppage of work from whatever cause, or liable for losses arising therefrom; *nor could they accept any sort of responsibility for the smooth running of industry. . . .*

The advantages of such a system as we have here very roughly sketched would be, first, that collective bargaining would be substituted for the individual bargaining which is the real danger of "Payment by Results"; second, the functions of management would be transferred to the shop committee, a body directly elected by the workers themselves; and, thirdly, combination on an industrial as distinct from a craft basis would be realised, since the committees would necessarily be representative of the different trades.

This admirable outline of the case for the introduction of Collective Contract as a step towards Guild control shows in how many respects it would encroach upon the present operation of the wage-system at the expense of the profiteer. It offers a sound and practicable alternative to the dangers inherent in capitalist schemes of payment by results —devices which, for the most part, swindle and corrupt the worker at the same time. It opens up the prospect of a *de facto* amalgamation of sectional Unions which would inevitably soon become *de jure* also. It provides a training in the control of production, and an opportunity of industrial self-government through leaders chosen by the workers themselves. It weakens the autocracy of the capitalist by withdrawing functions from him which had been previously bound up with his ownership of the means of production; and there is no reason why, as the process is carried further, out of the

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workshop into the works itself, it should not withdraw the further function which the capitalist exercises by his purchase of raw material.

It cannot be denied that a policy with such great possibilities as the Collective Contract would translate into action our maxim of "Encroaching Control." It is true that, in the shape in which it has been formulated, it applies only to certain industries, of which engineering is the most obvious example; but a little thought would suffice to adopt the principles involved to the circumstances of any industry by those familiar with its conditions. The question may be asked whether the capitalist is likely to accept a programme that threatens so formidably his power and prestige. We might reply that, when the workers are sufficiently alert to appreciate the issues at stake in the adoption of such a policy and to formulate the terms of their demand in unmistakable language, they will also be sufficiently spirited to force it upon the capitalist whether he cares to accept it or not. We might then see the definite appearance of a strike for status already foreshadowed by the disputes which have broken out over questions of "discipline and management."

But there is some reason to think that the employer might be prepared to accept an arrangement which would, *in the first instance*, owing to the smoothness and efficiency it promised,

appeal to the employers' commercial instinct in as favourable a light as that of individual contract. But no objection need be offered to it on this score, for may *we* not offer a bribe in the shape of increased efficiency, if we see a possibility thereby of gaining our ultimate

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ends? It matters not that this gain will ultimately prove as illusory to the capitalist as higher wages under individual contract will prove to the worker. Men always will consult their immediate economic good, but what shall it profit an employer if he gain a big profit and lose all control?[1]

That an employer may sometimes even propose a scheme in his own immediate interest which would prove of high value to the workers if they adopted it was exemplified in a number of suggestions for the regulation of labour at the docks[2] put forward in the course of a letter to the Press by a prominent Liverpool shipowner in June, 1914. The following sentence from his letter explains (with the aid of our italics) the essentials of his suggestion:

> The true policy, in the opinion of the writer, is that the employers of dock labour should, in their corporate capacity, guarantee to *every registered docker* a regular adequate minimum week's wage in return for *the regular offer of his services, whether used or not,* in accordance with conditions and regulations *jointly* to be agreed.

He further proposed that the men should be divided into two sections, those working regularly for individual employers, the others obtaining employment from the various employers through the labour clearing houses, but all retained, whether actually at work or not, by the payment of a minimum weekly wage which each could supplement by earning what he could beyond that on an agreed scale. The administration of the scheme was to

[1] The *Guildsman*, December, 1917; article on "Collective Contract," by Geo. W. Thomson.

[2] A letter giving particulars of the proposals, from "S. A. M.," appeared in the *New Age*, September 23rd, 1915.

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rest with the Dock Labour Joint Committee. By these means it was hoped to import steadiness and regularity into the habits of the dockers and their conditions of employment, in return for which the employer should be prepared to maintain the dock labour he needed, whether, at any selected moment, work could be found for all of it or not.

It may be objected that these proposals are very vague, and at a first glance they may not seem to amount to much. But what makes them important is the opportunity which was thereby offered to an alert Trade Union to seize the control of its labour and thereby raise the status of the workers. It would have been simple to translate the rather tentative proposals of the employer into a scheme of direct dealing between the employers "acting in their corporate capacity" and the men acting in *their* corporate capacity—that is, through the Union. "Registered dockers" could only have been interpreted to mean members of the Dockers' Union; "regular offer of services" involved a decisive change in the status of the docker; "jointly" suggested opportunities for continued interference by the Union in the conditions of the dockers' service. Very little effort would have been needed to arrive at some such terms as the following: (1) That the Union should undertake to supply labour at the docks; (2) that labourers supplied by the Union to the number demanded by the employers and definitely registered as belonging to the industry should be paid, whether working or not at any given time; (3) that the Union should receive such a lump sum in pay as should be agreed upon, and

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should distribute it amongst its members covered by the scheme as might be decided by the Union itself. Such a result, by interposing the Union completely between the men and their employers, would have been a distinct advance towards self-government; that no notice was taken of the employer's proposals does not speak well for the enterprise and far-sightedness of the Union concerned.

A more hopeful exhibition of these qualities was afforded by another organisation of workers, at the very moment when the Liverpool Dockers' Union (through the drowsy apathy of its head office to anything more important than a wages dispute) was throwing away the chance of raising the status of its members. The contract entered into by the London Building Industries Federation with the Theosophical Society in the midst of the great London building lock-out in the summer of 1914 was an extremely interesting example of direct dealing. The Federation agreed to supply the labour for the Society's new building without the intervention of any contractor; it promised, moreover, that the labour should be efficient, and undertook full responsibility for the proper execution of the work, while carefully abstaining from embarking on any *financial* responsibility in connection with it. The Theosophical Society, in return, agreed to pay the men whom the Federation selected, individually at current rates.[1] Coming as it did in the midst of a

[1] Full accounts of the circumstances and conditions of the contract will be found in the *Daily Herald* for the months of May and June, 1914. The best statement of its significance from a Guild standpoint will be found in the "Notes of the Week" in the *New Age*, June 11th, 1914.

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big dispute in the building trade—a dispute, moreover, precipitated very largely by the masters from fear of the growing strength of the Federation as distinguished from the various sectional Unions it included—the contract attracted a good deal of attention. Its significance was widely appreciated, as, for instance, by the *Manchester Guardian*, which wrote that "the principle of organised labour entering industry *as* organised labour is here admitted." On the other hand, the *New Statesman* declared that "all that the agreement amounts to is that the Trade Union is to act as a Labour Exchange." But this was obviously a short-sighted view in face of the fact, already referred to, that the Federation assumed responsibility for the labour it supplied and for the quality of the work, which is more than any Labour Exchange can do, or, for that matter, any employer either. Indeed, it may be remarked that in undertaking explicitly this twin responsibility Labour showed an honesty and public spirit in agreeable contrast to the spirit of profiteering. It is worth noting, too, that it was only the coming into being of the Federation which made possible the undertaking of such a contract—an example how, with the development of organisation and the approach to a monopoly of labour, Trade Unionism becomes aware of its first great step towards an improved status, the control of labour, and through the control of labour approaches the control of production. Further, the proposal of the Theosophical Society indicated that if Labour holds out for honourable conditions, honourable conditions will be offered to it. We may speculate from this

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example to what important results a strike undertaken explicitly for status might lead.

On the other hand, as the *New Age* wisely pointed out at the time, the contract, significant as it was, was far from being a final step towards the Guilds as some enthusiastic critics had seemed to suggest. In the first place, it was but a single incident in a single industry. Again, the Federation covered only manual labour; the architects, surveyors, and other professional workers had to be separately engaged through independent channels. Further, the men were not paid through the Federation—as they might well have been, and as we have seen they would be through the wise application of the policy of the Collective Contract. And, finally, the officials concerned were the ordinary officials of the Trade Unions, chosen and adapted for the very different purpose of fighting, or, at any rate, negotiating, with the employer, not for the purpose of replacing him and his officers. It is a point well worth consideration whether, with the progressive encroachment of the Unions on the control of production, a new type of official will not have to be evolved whose business will be the positive function of administration—in full responsibility to the Union only, of course—rather than the more negative, though still necessary, tasks previously associated with the holding of a Trade Union office.

However this may be, it is certain that the selection of Trade Union officials will become an increasingly important matter as the policy of "Encroaching Control" becomes adopted more widely. The men will be electing representatives destined not merely

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to negotiate with the employers, but to challenge the authority of their officers and to replace it. Already in the negotiations upon the recognition of shop stewards the question of their relation to foremen has emerged, and, however it may be temporarily adjusted, there is not much likelihood of its being finally settled until the employers' nominee has been driven out of the workshop altogether. It may be a long time before this is accomplished explicitly, and in the meantime two processes may continue side by side: the strengthening of the authority of the shop steward, and the extension of control over the foremen. As regards the first, we have seen already how by the introduction of the Collective Contract that authority can be increased, while the right of the shop steward to visit any shop in the works to see that conditions agreed upon are being actually complied with,[1] which has now been conceded in principle by the Employers' Engineering Federation, is an important point to have gained in this respect. As to control over foremen, the right to veto any foreman introduced by the employer has already been gained in some cases, and here obviously it is no long step to the demand that the right to reject an official should be transformed into the right to elect one. It is essential, however, that in cases where such a demand may be put forward it shall not provide for the election of a foreman from a distinct caste of individuals separated and perhaps organised apart from the Trade Union to which the rank and file of the workers belong. The foreman,

[1] It was the denial of this right to Mr. David Kirkwood by a Glasgow firm which led to the trouble on the Clyde in 1916, and ultimately to the "deportation" of a number of the Clyde shop stewards.

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whether or not he has been previously a recognised shop steward, must be organised along with his fellow workers in the association which, by its widening authority, will replace the present captain of industry and his subordinates, the N.C.O.'s of Capitalism.

We have written of the " workshop " for the most part in this chapter, since it is here that the problem of control has arisen most sharply in the last few years. But, of course, the worker has no less need to govern himself in every other industrial unit ; the question presents itself with varying degrees of insistence in every industry. In mining, for instance, the control of officials is an urgent matter, and some advance in this direction has already been made. The recognition of the checkweighman, an officer appointed by the Union, is often pointed to by Guildsmen as a valuable step towards control.[1]

The checkweighman, well controlled by an alert miners' lodge, can serve for more than the mere checking of weights. He can, and sometimes does, become the recognised spokesman of the miners in many matters affecting the management of the mine. Again . . . the miners have a limited right to appoint visiting inspectors, and here again they possess a weapon that can be used for interference with the management.[2]

As regards the future,

The workers can claim for themselves the right of choosing their own deputies, foremen, examiners, and the like. There will have, no doubt, to be some standard

[1] For example, see *National Guilds*, pp. 56, 57.
[2] *Towards a Miners' Guild* (National Guilds League pamphlet), p. 12.

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of attainment to which every candidate must conform; but in the mining industry these standards already exist, and amongst those who have reached them the miners can claim to make their own choice. By this means they can win to their side, and make responsible to themselves, those who are now the representatives of the management; and this process, by a series of steps, can be carried further and further, till the mine manager holds his office by appointment as the nominee of the Miners' Union. Each step in this process will give the Union more power, and will make the employer less necessary to the conduct of the industry.[1]

But it is not only the officials who direct them that Trade Unionists have got to enrol in their organisations. That vast array of clerical workers now sundered from them almost entirely by caste, costume, and convention must be attracted to their ranks, and the gulf between the proletariat and the salariat must be bridged in the only way that it can be bridged, by the Guild idea. Trade Unionism has spread fairly rapidly amongst clerks during the present century; this is due largely to the activity of the National Union of Clerks, an energetic body with a membership of about 12,000. It is obvious that the organisation of clerical workers presents problems too numerous and specialised to be discussed here.[2] But Industrial Unionism has claims here no less than it has in regard to the skilled craftsman; the continued existence of separate organisations for "brain workers" is incompatible with the ideal of solidarity. The future of the

[1] *Ibid.*, p. 14.

[2] See a series of articles by J. H. Lloyd on "The Organisation of Clerks" in the *Clerk* (the organ of the National Union of Clerks), June–December, 1917.

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National Union of Clerks would seem to be rightly envisaged in a similar light to the future of the general labour Union—that is, as a "clearing house" for those clerical workers whose interests are not specially identified with any particular industry. In addition to this function, it might serve further as a craft federation to cope with those particular interests of clerks *qua* clerks which were not covered by their own craft representation on the particular Industrial Union to which they were attached. In cases where the "brain workers" in any industry are already organised apart, as is the case on the railways and, to some extent, in mining and engineering, the Industrial Union concerned must not consider its task of organisation completed until these separate societies have been merged in itself, and the workers in them have been given their fair share of craft representation on the governing body.

We have said that only the Guild idea can bridge the gulf between the mental and manual worker; but though, as we have seen in a previous chapter, that gulf is very largely imaginary, the circumstances of his employment make it loom very large before the clerical worker. Indeed, the distinction between a salary and a wage is sufficiently real to blind both salariat and proletariat to their underlying unity of interests. This distinction, on which we have already remarked,[1] has been well brought out by a writer in the *Guildsman*[2] in the following passage:

The clerk and the draughtsman, the commercial

[1] Chapter iv., p. 85.
[2] See the *Guildsman*, September, 1917; "The Salariat: A Study in Pathology," by G. W. Thomson.

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traveller and the salesman, although their labour is also bought, are retained in times of slackness, and their salaries go on regularly as in the busiest period. The salaried person is not "questioned" when he is late, nor do holidays and sickness mean a stoppage, sudden and complete, of the means of life. But the employer has not paid something for nothing. It is not one of Fanny's pretty ways! The salaried man has sold something more than his labour; he has sold his birthright and his soul. Thus, the employer has him always in demand for spurts and emergencies, generally at no extra cost to himself, and, moreover, he has succeeded in alienating him from the class to which he truly belongs, that of the workers, and by giving him the bribe of admission on to the staff he has convinced him that his interests are much more closely identified with those of the firm than with those of the wage-earner.

What is the result? The salaried workers have lost not only their friends, but their enemies! They are the spectators, and even the victims, of a class-struggle which they cannot understand, and they are the more miserable since, in a world of injustice, they have surrendered even their antagonisms.

Only at great peril of the spirit can a man give up his right to healthy and just hatreds, and this the salariat has done. This class is an object of contempt to the capitalist, and an object of despair and a stumbling-block to the wage-earner. Yet in the great fight for emancipation we must carry him with us. If he only understood it, our cause is his cause. His shallow vanity and snobbishness make him verily an "old man of the sea" on the worker's back. We cannot, if we would, lay him down.[1]

The writer of this article proceeds to elaborate his indictment against the salaried employee, and we

[1] *Ibid.*

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cannot deny that many counts in it are true and the result damning to those—the majority of the lower-middle class—against whom it can be justly brought. But we cannot deny that there is something to be said, too, upon the other side. The apologia of the salariat might perhaps be framed in such words as the following: "You accuse us of deserting you in your struggle with the capitalist system; but when have you ever asked for our assistance? Moreover, when have you ever taken pains to explain to us and to society generally exactly what that struggle is about, what part you expect us to play in it, and what precisely our relation will be to your Unions when they have won their victory? Again, we do not clearly understand (and we are not sure that you do) what part you consider your Unions should take in the new society that will replace Capitalism. What you call the 'class-struggle' looks to us very often rather like a scramble for spoils; what you call 'social democracy' we would define as 'government by the bureaucrats for the politicians.' You talk about improving your status, but you will not do that by strikes for higher wages; and for all your century of Trade Union agitation, we prefer our comparative security—on a salary, the amount of which, however small, is at any rate assured for a reasonable time—to your precarious existence as casual labourers, which is all you weekly wage-earners really are, however 'skilled' you may be. Admittedly, we have done wrong in listening to the temptation held out to us by our masters that, if we are good, we may one day hope to take a hand with him in running the administration of his

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profiteering system; but, unless we are very much mistaken, that is precisely what your leaders are proposing to do under the name of Reconstruction. If you are really going to give us a lead, do try and make sure that it is a lead in the right direction. Which reminds us that we should like to hear more of these National Guilds that some of your members are talking about."

A retort along these lines would not be without justification; Trade Unionists will do well to recognise that in the alienation between the salariat and themselves there have been faults on both sides. That alienation can only be ended when it is replaced by co-operation for a common purpose. No lesser purpose than the common pursuit of control, responsibility, and a real change in status will suffice to bring together the workers of every grade. Nor can the process stop with the attraction of the lower ranks of the salariat into the orbit of Trade Unionism. Besides the higher officials of every industry, there are the great professional associations of technicians and experts who form to-day a most essential section of the industry to which they are attached, and who will be no less essential to the proper functioning of the Guild. These professionals, banded together in institutes and associations, have already something of the Guild spirit, and will often be found to be impatient of the trammels which Capitalism imposes even upon them, and of the canalisation of their energies to the purposes of profit. In proportion as the Guild idea is spread and formulated by the Trade Unions, the problem of reconciliation between the workers and the professionals

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will be brought nearer to a solution. It is the Guild for which every rank and grade of the genuine workers, in modern industry are waiting—whether consciously or no. Not till the Trade Unions themselves move to the attack can the army of emancipation go forward; the power of that army will be revealed, if they will but sound the challenge and lead the way.

Our survey of Trade Unionism, though it has been long, has touched only those of its features and problems which are essential from the Guild standpoint, and touched them only so as to provide an introduction to a fuller understanding and a closer study. We have attempted throughout to deal with the issues at stake in the light of that future which lies beyond Trade Unionism and gives to it its crucial importance to-day—the future in which the Guildsman, like a new St. George, will have vanquished the dragon of profiteering which now enslaves our nation and humiliates its people. The Guildsman will be no magic deliverer from without, but the common Englishman, shamed into action by the peril in which he finds his freedom to stand, awake at last to the possibilities of "self-government" and "citizenship," and determined to experience as realities what he has long worshipped at a respectful distance. We have heard much more in these years of war of the ordinary man, of his spirit, of his initiative, and of the respect and honour due to him, than we heard in those pre-war days when reactionaries discussed what was to be done with the people, while Liberals boasted of what they were going to do for them.

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Yet the " people " was always conceived as a passive thing, to be regulated, to be benefited, or to be bribed ; never as an aggregate of active wills, with purposes of their own and demands formulated by themselves. After the War, the soldier returning from pay to wages and the Trade Unionist struggling at last from wages to pay will have much to learn from each other, and from the lesson may result that rare phenomenon of our history—the English citizen, conscious and alert, swift to assert his will and eager to act. Such a resurrection would be worth more than a century of " reconstruction " ; it is the clue to all our social puzzle, and, above all, to the puzzle of Trade Unionism and beyond. The creation of the Guilds demands it ; for their building is a problem and not a theorem—a task to be done, not a proposition to be proved.

It is for this reason that throughout this chapter we have insisted on the impulse from below as vital before all, on structural changes based on the workshop, on a *de facto* solidarity as more important even than a *de jure* amalgamation, and on a policy of " Encroaching Control " which starts at the end which the worker can best understand since it concerns his everyday life and labour. But while we have thus insisted on the essentials of industrial democracy, we have sought equally to emphasise the crying need for organisation and discipline, without which Trade Unionism will find itself betrayed on every battlefield. Discipline, self-sought and self-imposed, can alone prepare the victories which democracy justly demands, and which leadership and loyalty will win. Of leader-

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ship we have said little in this chapter, since it is idle to talk of leaders till the workers have determined whither they would be led and are able to recognise the stages on the way. It is because in the past the blind have too often led the blind that Trade Unionism has stumbled again and again into the ditch of servile legislation and industrial defeat. Hence the outcry against all leaders, and the suspicion of the rank and file that it is being sold and trapped.

Yet if Trade Unionism is to make even the advances which we have sketched out in this chapter, it will need more leadership rather than less. The remedy, after all, lies largely with the rank and file themselves; for if they would take more trouble in the choice of the men whom they elect to lead them, and treat those who serve them well with as much generosity as they now treat with toleration those who serve them badly or not at all, the tragedies of treachery and ineptitude which at present too often disgrace Trade Union leadership would seldom occur. Leadership is not, as some imply, a denial of democracy; it is a condition of its success and even a witness to its strength. The Trade Union leader of to-morrow will need the loyalty of those to whom he is responsible as much as they will need his loyalty to their interests. Every wile will be used by his enemies, whether capitalists or bureaucrats, to dazzle, to bewilder, even, it is to be feared, to bribe him, if by these means he can be induced to desert his fellows and betray his class. Trade Unionists must realise how strong may be the temptations to an able and enthusiastic workman to throw over the

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uphill struggle for the promise of power and influence and a life of "usefulness." The motives which lead a Trade Union official to throw in his lot with the "governing class" are not always sordid, however much we may deplore them; it is sometimes the sheer apathy of the workers that drives their former champions in disgust over to the ranks of the enemy. While the highest aims of Trade Unionism are but reforms within the wage-system, we cannot wonder at the apathy of the mass or the disillusion and desertion of the abler few. But, with the Guild idea before them, we could hope for the loyal activity of the rank and file and for the fidelity and boldness in those whom they choose to lead. Even to-day that hope is not unreasonable. Though the workers still wander in the forest of wagery, some there are amongst them—an ever-growing company—who have seen the light beyond the trees.

A special Bibliography to the foregoing chapter will be found below, pp. 450–1–2.

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CHAPTER VI

THE MIRAGE OF RECONSTRUCTION

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Reconstruction: once an ideal, now a programme. The idol of social peace. "Reconstruction as a new crusade." As an antidote to revolution. Its "catastrophic" ideas. An alternative to emancipation.

The literature of Reconstruction. Its leading idea, industrial autonomy, derived from National Guilds. The restoration of Trade Union conditions. Mr. Sidney Webb's proposals: their dangers. Trade Union regulations as an earnest of Guild control. Restriction of output: its causes and its remedy. Industrial Militarism and Mr. Ernest Benn.

The Whitley Report. Are its proposals "equivalent to National Guilds"? How they differ. Objects of the Report. "Joint Control": a fallacy and a fraud. Labour and the new industrial concordat. The perils of "responsibility." The essential safeguards for Labour: independence and unity. Further dangers of the Whitley proposals: (i.) the infection of labour with profiteering; (ii.) anti-social conspiracy between Capital and Labour; (iii.) the stereotyping of opposition between capitalist officials and Labour representatives; (iv.) the outmanœuvring of the workers.

Joint Councils an accomplished fact: example of the pottery trade. Attitude of the Government. The right policy for State employees: some difficulties. The Whitley Report and Nationalisation: an opportunity for Labour. Joint Councils and workshop control: defects of the Report in this respect.

Labour's rôle in Reconstruction. The Labour Party Report: its shortcomings. The reconstruction of Capitalism: a warning to Labour. The employers and the State: can they promote the Guilds? The meaning of the class-struggle. Limitations and opportunities (i.) of the employer; (ii.) of the State. Reconstruction a mirage: emancipation a task.

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VI

THE MIRAGE OF RECONSTRUCTION

THAT blessed word "Reconstruction" has already made its appearance more than once in this book; indeed, it would be strange if this had not been so, since it is impossible to avoid a phrase which is on the lips of everyone, and corresponds to ideas which are formulated, more or less definitely, in the minds of many. Those ideas, long in the air, have now acquired not only a name, but a local habitation in a Government Department. Taking shape first in projects spontaneously initiated and privately circulated, they have filtered through into White Papers, and passed into that final stage when they are announced as representing the "considered policy" of the Government. It is, therefore, no longer possible to treat Reconstruction as a phenomenon of benevolent optimism, or to accept it as a piece of social magic to be wrought by the War in which we must believe (as is said of theological dogmas), but which we cannot hope to understand. Reconstruction is becoming a "programme," something which the country will be "asked to accept"—which is to say, that it will have to accept it with as good a grace as possible, if it is not to incur from its masters the awful charge of "barring the way of true social advance." The peril of releasing British democracy from the shackles of War legislation to think and act

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for itself has appeared so hideous to our ever-growing bureaucracy that it has set to work to devise some efficient substitute which could be imposed without delay and in an acceptable guise. The result is Reconstruction, which began as an ideal and has become a "stunt."

That it began as an ideal is undeniable, and idealism, we suppose, must always be worthy of our respect, if of nothing more; though, when it is concerned with "the relations of Capital and Labour after the War," we must confess to an impatience in according it even that. The good intentions of our social reconstructors are generally obvious enough, it is true; but, then, so is the hell towards which they are paving the way. It is the Servile State. We are aware that this phrase is to the reformer a stumbling-block and to the Collectivist foolishness (has not Mr. Sidney Webb himself described it as a "comic figment"?); but we are not the less—indeed, rather the more—likely to see it realised on that account. Compared with the difficulties attending the establishment of industrial democracy by the workers themselves, which we have traced in its earlier and more immediate stages in the previous chapter, Reconstruction seems almost dazzlingly simple, peaceful, and swift. It accords well with the comfortable delusion of the liberal-minded in every governing class that the world can be reformed and society founded on principles of justice and equality, and they themselves suffer nothing in purse or station. Such men love to talk of the "nation's industry" and the "nation's wealth," as if the benefits associated with the control

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of industry and the possession of wealth could somehow be enjoyed by the masses of the nation by mere virtue of nationality and without any actual experience of them. Though peace with honour is impossible for the workers within the wage-system, Social Peace is an idol before which the reconstructionist will never fail to bow the knee. And already he sees his dreams of social harmony taking shape in a National Alliance of Employers and Employed, destined, no doubt, to blossom forth into a "League to Enforce Industrial Peace," and put an end to the brutal militarism of the class war.

It may be objected that we are unfair to the reconstructionist, and that he is not always among the fools who rush in where the angels of true revolution fear to tread. We admit that there are to-day amongst us perhaps a larger number of disinterested men of real goodwill and first-rate intelligence, seriously devoting themselves to the problem of our industrial future, than ever before in our history. Many of them are completely independent of any direct interest in the maintenance of Capitalism, however much they may (even unconsciously) accept it as essential to "national prosperity." Some of them are employers, genuinely anxious to harmonise their interests with the interests of their country and the happiness of their work-people, and confident, as a rule, that such an adjustment is perfectly feasible. So representative a figure as Sir Maurice Fitzmaurice, in a presidential address to the Institute of Civil Engineers, speaks as follows[1]:

We all wish to see Labour contented. In Burke's

[1] *Industrial Reconstruction*, pp. 23, 24.

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speech in 1775 on conciliation with America he said: "The question with me is not whether you have a right to render your people miserable, but whether it is not your interest to make them happy." I think that expresses our view with regard to Labour to-day.

We think that it does. The same conviction has been expressed even more emphatically by one of the most prominent of modern capitalists, Mr. Dudley Docker, who declares roundly that, "without doubt, it is to the interest of all employers to make their work-people happy."[1]

Yet happiness in itself is not the true goal of society; and even if it could be proved that the happiness of the workers could be completely secured by the reconstruction of Capitalism and its national recognition, the social question would remain unanswered. Not happiness merely, but justice, is the true end of society; it is the recognition of this fact more than any other that gives the real driving force to the Labour movement. Already to the best and most spirited type of worker it is his condition, even more than his conditions, which is an affair of honour. This truth, it is only fair to say, has been recognised by some of the best among those who have associated themselves with the idea of Reconstruction. It has been recognised, for instance, by the authors of the *Garton Memorandum*—perhaps the most thorough and admirable of all the attempts made to reconstruct a new and nobler edifice of industry on the old foundation of the wage-system. Say these writers:

The great obstacle to co-operation is the question of status. The ill-will of Labour towards Capital and

[1] *Op. cit.*, p. 89.

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Management is not wholly a question of their respective share of earnings. . . . The fundamental grievance of Labour is that while all three are necessary parties to production, the actual conditions of industry have given to Capital and Management control not only over the mechanism of production, but also over Labour itself.[1]

This recognition of the spiritual subjection to which the wage-system condemns the worker, though it is very incomplete, is none the less welcome; it differentiates the *Memorandum* from cruder proposals made in the name of Reconstruction which concern themselves entirely with increased output, increased profits, increased wages, and increased "happiness." A similar note had already been struck in the columns of the *Round Table*, and an even more exalted idealism is to be discovered in the pages of the *Athenaeum*. In the columns of this review the idea of social reconstruction after the War receives not merely attention, but worship. The word "Reconstruction" itself occurs sometimes as often as a dozen times in a single article, and never without the homage of a capital "R," so that the term begins to acquire a kind of magical significance, as if it were the "Open Sesame" to a new world. And it would seem that the writers have in mind nothing less.

It will be clear that we regard Reconstruction as a new Crusade with a new Britain as our goal and Holy City. . . . Reconstruction is not the closing chapter of the War; it is the opening of a new chapter of national

[1] *Memorandum on the Industrial Situation after the War*, by the Garton Foundation, para. 145. A long and in many ways valuable criticism of the memorandum is to be found in *Guild Principles in War and Peace*, by S. G. Hobson.

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history. . . . If we do but clear the ground and build upon rock the foundations of freedom for the future, we shall have been worthy of our day and generation.[1]

We shall indeed; but what are those foundations? It is certain that we cannot look for them in the wage-system. And if we are to "clear the ground" of the whole commodity theory of labour, our reconstruction will become revolution, and be far removed from all the impatient patchwork generally bound up with the phrase that the *Athenaeum* has taken as its watchword. If we prefer the term "revolution," it is not because we pin our faith to a swift and catastrophic remedy as opposed to something more steady and far-reaching. On the contrary, it is just the rough and ready feasibility too commonly associated with Reconstruction that renders it so superficially attractive and therefore so dangerous. The essentials of social renewal are not to be discovered in the exploded superstitions of social reform, nor the evils of exploitation and tyranny wiped out by six months of hasty tinkering with co-partnership schemes and "joint committees." The foundations of freedom can only be built by the steady and ruthless destruction of its opposite—wage-slavery.

It seems, then, that we must choose between reconstruction and revolution. Indeed, this necessity is frequently put forward by reconstructionists as an apologia to the timid among the governing class for the "far-reaching" character of their proposals. What these people do not—or is it, will not?—see, however, is that such a revolution need not be a violent catastrophe or a sudden upheaval;

[1] The *Athenaeum*, January, 1917.

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indeed, it might be less violent and certainly less sudden than some of the "machinery of reconstruction"—the phrase is as appropriate as it is prevalent—seems likely to be. We do not, of course, deny that a revolution in the sense so actively dreaded, for instance, by the authors of the *Garton Memorandum*, is impossible after the War, since no one can feel assured that our plutocracy will not be callous enough or our bureaucracy stupid enough to provoke one. The gods seeking to destroy Capitalism may first make it mad. This apprehension is shared by the authors of this *Memorandum*:

> The incendiary is not far to seek, and may be found in all classes. . . . There is a real danger that this section [the reactionaries amongst the employers] may adopt to some extent the German view of Labour as a force which needs to be controlled and disciplined from above, and many regard the War as an opportunity to accomplish this end. There is reason to fear that some employers look on the Military Service Acts, the State control of war industries, and the temporary abandonment of Trade Union restrictions as an opportunity to establish once for all the ascendancy of Capital over Labour.

This danger, combined with "economic discontent, class suspicion, and the doctrines of social revolutionaries," has led the writers of the *Memorandum* to "foresee the occasion of a renewed outbreak of industrial friction which would not only obstruct our commercial progress, but seriously cripple our power of recovery."[1] Indeed, they have become convinced, they tell us in their preface, "that the return from war to peace conditions would inevitably involve great difficulties which

[1] *Garton Memorandum*, paras. 61, 62, 63, 1.

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might result, if not carefully and skilfully handled, in a grave outbreak of industrial disorder."

Hence, then, we have one leading motive of Reconstruction—fear. "A grave outbreak of industrial disorder"! Tremble, ye tyrants of Capitalism; tremble and obey, lest worse things befall ye; kneel to kiss the rod of Reconstruction, since "only by uniting the efforts of all classes towards common ends, on the lines of a broad national policy, can such a catastrophe be averted." Yet a catastrophe cannot be averted by clichés; it is only when we inquire how the common end for which all classes are to unite can be expressed in terms of dividends paid to a handful of the population, and how a policy can possibly be national, to say nothing of broad, which leaves the assets of the nation to be exploited for profiteering, that we begin to wonder whether a "catastrophe" may not after all be necessary. In truth, the antithesis between the reform of Capitalism and the crash of catastrophe is a false one, and sometimes, we suspect, a dishonest one as well. The real question is which authority our reconstruction is going to strengthen at the expense of the other. Is it going to strengthen the power of the State at the expense of the efficiency and autonomy of industry? Is it going to increase still further the prestige and power of the profiteer and extend his autocracy over the lives of his work-people? Or is it to be directed to fortifying the initiative and the direct control of industrial democracy by liberating and stimulating the responsible activities of Trade Unionism and preparing its future partnership with the community?

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It may be replied that no one of these courses is incompatible with the other two. There is perhaps a very limited sense in which this may be true. It may be useful, as a temporary measure and failing the courage for a decisive scheme of nationalisation, to strengthen State control over certain industries, while leaving the capitalist secure—and, it may be, even more secure than before—in his possession of them. It may perhaps be possible to formulate schemes of "industrial autonomy" which will increase the standing of the employer without infringing or threatening the powers, or even the potentialities, of the Trade Union. What is not possible is to frame an enduring compromise between ideals which are mutually exclusive. Either the State is to administer the main industries, or it is not. Either the capitalist is the best person to conduct his business, and profit is the legitimate motive for it, or he must ultimately be dethroned as a usurper, and profiteering repudiated as a shame and a fraud. Either the Trade Unions are the essential rudiments of self-government in industry, destined to develop into the controllers of it, or they are protective associations of wage-slaves, to be kept in their place if they seek to rise beyond their station. It is vain to talk of reconstruction until we have decided to what end our reconstruction is directed, and what are the elements in our society which we desire to strengthen or to depress.

We are not denying that the after-war situation will demand statesmanship, or suggesting that any immediate solution to its problems can be applied in

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such a way as to solve them at one stroke. Indeed, it is the very impatience of the reconstructionist, his readiness to stake the whole future of society at a single throw, that seems to us so perilous. He seeks to seize and imprison in a permanent mould certain momentary phases of our industrial transition. "The single large issue that is revealed in the present situation," said the *New Age* recently, "is as follows: which of the two parties, Capital or Labour, shall, by partnership with the State, become the master of the other." Reconstruction does not face this issue; it begs the very question it should set about to solve. Confronted with the gradual formulation and development of Labour's demand for a new status in society, statesmanship would seek to stimulate and enlarge that demand; Reconstruction seeks to standardise and to set bounds to it. Indeed, the choice is not between reconstruction and catastrophe, but between the catastrophe of reconstruction and the achievement of emancipation. That achievement may come soon, or (as is much more probable) it may come slowly; it may be hastened or retarded, or even defeated, by the action of those in power to-day. But one thing is certain: emancipation from wage-slavery must be achieved; it cannot be imposed. In proportion as it is achieved will a revolution have taken place. We have indicated in the previous chapter how that achievement may be begun by those whom it most concerns; we shall suggest in the next how it may be carried forward to victory. We shall seek to elucidate in this place what those who govern in State and business may do in the matter; we shall

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be guided largely, it may be, by the discovery o what they should not do.

We take this opportunity of saying plainly that not only do we not advocate or seek to promote a catastrophic revolution after the War, but we should regard such an outbreak as likely to be disastrous, not only to society as a whole, but to Labour in particular. There may come a time when catastrophic action will alone suffice to achieve the last victories of the class-struggle. This, however is a matter for speculation, not for prophecy, and we cannot tell what changes of heart and mind society may undergo in the meantime. Labour is far too uncertain of its aims, far too chaotic in its organisation, and far too weak in its grip upon industry to expect anything but disaster from a resort to catastrophic revolution ; nor has it yet by its successful invasion of capitalist control proved its right to demand more. That Labour might be driven into insurrection in defence of its free existence we will admit without discussing it, since we are dealing now not with repression, but with what is, at any rate nominally, reconstruction. But as Mr. Chesterton has said, " A revolution for good is always the frustration of an evolution towards evil." It is in frustrating the Servile State by steadily constructing the elements of its opposite that Labour will be carrying out most truly and securely the revolution by which it will gradually come into its own.

It is time to turn from general criticism of the Reconstruction idea to an examination of some of the proposals which have been put forward under

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this name. Our examination will necessarily be cursory, and many aspects of this rather vaguely defined subject are outside the scope of this book. Moreover, we may remind our readers that we are not principally concerned with that ideal of "national prosperity," sought for its own sake, which is the avowed basis of most reconstruction proposals. The predominant question for us is whether the adoption of these proposals would weaken the spell that the wage-system has cast upon us all, and whether they would contribute to build those democratic and responsible associations, essential to the health and freedom of society, which we have called Guilds. Just as we have admitted the good intentions that lie behind many of the Reconstruction ideas, we are prepared to admit that some of the detailed proposals might produce good and useful results from the point of view with which they are put forward—the increase of material prosperity and the conciliation of the workers. Though we believe firmly that the establishment of National Guilds will ultimately secure both the prosperity of industry and the satisfaction and content of all those who labour in it, the immediate quest of those goals, if it is undertaken in contempt or oblivion of justice and equality, will only lead us more deeply into slavery. We shall lose the substance of true reconstruction in clutching at its shadow.

The literature of Reconstruction is by this time both copious and varied, ranging from the almost Bourbon-like reaction of the report issued by the Employers' Parliamentary Council, which has "learnt nothing and forgotten nothing" since 1914, to the audacious liberalism of the *Garton*

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Memorandum, and including as its most notable contributions the three reports of the British Association edited by Professor Kirkaldy, Mr. Malcolm Sparkes's proposals for "Industrial Parliaments," Mr. E. J. P. Benn's pleas for a national organisation of industry,[1] Mr. Sidney Webb's little book on the *Restoration of Trade Union Conditions*, the report of a committee representing Scottish firms engaged in engineering and shipbuilding,[2] and a number of volumes of the symposium type.[3] At the end—and perhaps partly as a result—of all this output, there has appeared the famous Whitley Report, the product of the Government's Reconstruction Committee, and now adopted officially by the Government as a basis for the future resettlement of industry. *Finis coronat opus.* The Whitley Report is more than a contribution to Reconstruction; it is a first-fruits of it.[4] We shall need to consider it at some length, for by its issue much previous speculation on the subject with which it deals has been set at rest, and the Joint Standing Industrial Council appears as the final form of many tentative proposals for industrial autonomy.

This idea of industrial autonomy appears under various *aliases* in nearly all the schemes and suggestions we have mentioned above, and is certainly

[1] See his books *Trade as a Science* and *The Trade of To-morrow*. Mr. Benn is the promoter of the "Council for the Study of Industrial Reconstruction."

[2] Published in the *Athenaeum*, February, 1917.

[3] Of these, the most representative is *Industrial Reconstruction*, edited by Mr. Huntly Carter, and containing contributions from some sixty persons of widely differing views.

[4] Since this chapter was written a second Whitley Report has made its appearance. It applies to industries in which organisation is still far from complete, and supplements the suggestions of the main Report by proposing to couple with them the further extension of Trade Boards in such industries.

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the most important conception which is to be found amongst them. It is based upon the fundamentally sound principle that the responsibility for the management and control of industry should be thrown upon those who understand it by the creation of organs appropriate for that purpose—in short, by the rejection of Individualism and Collectivism alike, and their replacement by the principle of function.[1] Many strains of thought have converged to produce the idea of industrial autonomy, but there is not much doubt from what source the reconstructionist has borrowed most consciously the expression of it in concrete proposals. He has borrowed it from the propaganda of National Guilds. Indeed, this much is confessed by one of the earliest examples of the tribe, "D. P.," whose articles in the *Times* in the summer of 1916 on "The Elements of Reconstruction" have been reprinted in book form with a preface (significantly enough) by Lord Milner. Therein, we believe for the first time, the success of the Guild propaganda was openly admitted, and readers of the *Times* were exhorted to sit up and take notice of it. It was no longer enough merely to snub the National Guildsmen, for "the workers are not snubbing them by any means." It is time to "extract the good" out of their proposals and, with the material thus obtained, to issue a substitute which will look much the same—but taste different. There followed these delightful sentences about the handling of Guildsmen and their explosive theories:

Let us by all means continue to snub them, take it out

[1] For a philosophical treatment of the principle of function in the light of the Guild idea, see Mr. Ramiro de Maeztu's book, *Authority, Liberty, and Function.*

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of them socially and so on, but let us at least see whether some use is not to be made of their ideas. These new ideas among the workers need not make for conflict, but they certainly will make for conflict if they are ignored.

They have not been ignored, they have been adapted; though National Guildsmen, having managed to survive the terrors of social ostracism thus prepared for them, have been swift to expose the frauds and fallacies of this not unexpected form of flattery. Industrial autonomy, they have pointed out, is of very dubious value if it be only another name for the chartering of Capitalism; nor will it be worth much if it merely obliges the employer to consult the opinion of his work-people without placing him under the least obligation to pay any attention to it. We shall see later what detailed criticisms Guildsmen have to make of the proposals of the Whitley Report. Before dealing with future reconstruction, we must say something of a preliminary problem of restoration—the restoration of those Trade Union rules and customs established by the workers in their own defence after more than half a century of struggle, and abandoned after a few weeks' negotiations at the urgent entreaty of the Government and in response to the appeal of patriotism.

The subject is very largely a technical one, but something much more than technicalities is at stake. What that is we shall see in a moment. Meanwhile it is important to recall at the outset of any discussion of the restoration of Trade Union rights how complete and unqualified has been the Government's pledge that they shall be restored. Quotation is unnecessary; the fact is not disputed. The rights were not surrendered; they were not even bartered;

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they were simply suspended for the duration of the War, to be resumed at its close. It soon became obvious, and indeed it might have been predicted, that a literal restoration would be no simple matter, and might even prove impossible. The enormous stimulus provided by the War to the elaboration of new processes and the introduction of new machines has rendered quite inapplicable many of the provisions relating to the manning of machines and the allocation of various classes of work to different grades of skilled and semi-skilled workers. Moreover, the effect of the War on industry has been to hasten considerably a tendency already operating before its outbreak to simplify the highly skilled processes, while there have at the same time been discovered vast reserves of labour—especially female labour—capable of being rapidly trained to operations generally believed to be beyond their capacity. Naturally the employers were not slow to declare that we could never go back to the old state of things and restore customs which hampered the enterprise of the workman, prevented free competition for a job, limited output, obstructed the introduction of new machinery, put restrictions upon "payment by results," and generally interfered with the development and prosperity of "our" industries.[1]

In face of this situation Labour grew bewildered and alarmed. Instead of facing the whole matter boldly and deciding what it really regarded as

[1] It should be remembered, however (though it seldom is), that the fact that women can manage to perform the tasks they have successfully undertaken in war-time does not necessarily prove that it is desirable either for society or for themselves that they do so, nor does it justify the continuance in normal times of a strain accepted or imposed to meet an emergency.

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permanently valuable in the rights it had established in the past and what it would be prepared to discard in return for a satisfactory *quid pro quo*, it did nothing but repeat its demand for the reiteration of pledges of complete restoration from Government spokesmen, who, conscious of living from hand to mouth, and conscious also, perhaps, of a steady decline in the "exchange value" of Government pledges, gave the required assurances for the most part cheerfully enough. One member of the Administration, however, in referring to the matter, let fall the somewhat mysterious remark that, though of course it would be impossible for the Government to keep its pledge in the letter, it would keep it in the spirit! Clearly this might mean anything or nothing.[1] A possible interpretation was suggested by the appearance in the *Times* in the winter of 1916 of a series of articles by an anonymous author on the subject of the restoration of Trade Union conditions. Their style, no less than the proposals they contained, swiftly betrayed an authorship which was soon afterwards admitted when they appeared in book form as the work of Mr. Sidney Webb.

The thesis therein laid down is as perilous as it is characteristic of its author. Briefly stated, Mr. Webb's proposal is to substitute for the Trade Union conditions, which it is "impossible" to restore substantially and "dangerous" to restore in a sham

[1] It is to be noted that, although the Munitions Act of 1915 ostensibly contains certain conditions compelling employers to restore superseded Trade Union customs at the end of the War, there is good reason for asserting that these provisions are drafted in such a manner as to be, from the legal point of view, largely inoperative. See *The Munition Acts and Restoration*, by G. D. H. Cole and H. H. Slesser (Joint Committee on After War Problems, 1 Victoria St., London, S.W.).

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manner, a " settlement " of industry, guaranteed by the State and proceeding from its initiative, that will satisfy both parties and obviate " calamitous industrial strife." Mr. Webb is under no illusions as to the difficulties involved in scrapping conditions which have been established with so much effort, since, as he says,

> Invidious as some of them might appear to persons without the wage-earners' knowledge, they had been found by experience, so it seemed to the men, to be indispensable safeguards of the customary rate of wages —necessary defences against a progressive degradation of their standard of life.

But he proceeds to argue that the enormous revolution wrought by their suspension has been so complete that their restoration will be impossible. As we have said, the subject is largely a technical one, and on its technical side the authors of this book will not seek to give an opinion. There would seem, however, to be good reason to regard Mr. Webb's verdict on the matter with considerable suspicion. In the first place, he advances no conclusive arguments why restoration will be literally impossible, though he gives many to explain why he thinks it will be difficult and undesirable. For instance, he says:

> We may as well admit to ourselves straight away that in face of so great a national loss [due to the decrease in output which Mr. Webb assumes would result from the restoration of the old conditions] and of the opposition both of the employers and of the new classes of operatives who would have to be turned out, together with that of their sympathisers in other social circles, no Government would insist on carrying out the pledge,

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and that, in spite of its plighted troth, no Government will try.

The pressure of vested interests is a strange justification for perjury. Mr. Webb has not proved that it will be impossible for the Government to keep its word; all he has done is to suggest that it may be excused from doing so because it will be inconvenient and difficult to overcome the opposition of employers and "dilutees"—neither of which classes, it must be remembered, has any claim to be considered until the nation's pledge has been redeemed.

Moreover, the suspicion that the wish not to see Trade Union restrictions restored is father to Mr. Webb's thought in the matter is increased by the discovery that he does not approve of them.[1] Indeed, we may doubt whether he approves of Trade Union interference at all where there is any chance of insinuating in its stead the interference of the Government official. In proportion as the negative authority of Trade Unionism is weakened does an opportunity occur for the strengthening of an external authority—the State. Here is the chance for a Fabian finger in the reconstruction pie, and Mr. Webb, an industrial Canning, calls into being the new world of bureaucracy to redress the balance of the old. Apart from the fact that the intervention of the State is far more likely to upset the balance altogether in favour of the capitalist than to redress it, the authority is an external authority, and cannot in any way compensate for

[1] See *The Restoration of Trade Union Conditions*, p. 31, and the division there made between Trade Union activities "inspired by the Doctrine of Vested Interests and those inspired by the Doctrine of the Common Rule."

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the weakening of the essential democratic authority of the Trade Unions.

Trade Union regulations are largely the basis of Trade Union strength, and the visible confession of Trade Union control in industry, and to these things there can be no alternative.[1]

This is really the heart of the matter, and it is in this light that Guildsmen must regard the whole problem of Trade Union rules and their restoration. They are not, we take it, greatly concerned with these rules and restrictions for their own sake and on their purely Trade Union merits. They recognise them to be a natural outcome of the wage-system, neither "right" nor "wrong" in themselves; and they should avoid the mistake of attaching an exaggerated importance to every detail of these customs, some of which may well prove to be standing in the way of the true development of Trade Unionism. But the fact to which these customs bear witness, and the principles on which they are founded, are of immense consequence from the standpoint of National Guilds, for—albeit in a stunted and even a perverted form—they are the rudiments of Guild control. They are a sign that the Trade Union has got its foot into the doorway of management, so that the capitalist cannot impose the terms of wage-slavery altogether unchecked. This position is too precious to be surrendered for any State guarantee of a servile security such as Mr. Webb has put forward in place of the conditions it is so "impossible" to restore.

[1] G. D. H. Cole, *Self-government in Industry*, p. 70. The whole chapter here referred to is valuable as a study of this subject, though we think the author goes, if anything, too far in his emphasis on the need for a complete restoration.

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We shall never liberate the worker by narrowing the sphere of his authority. The Trade Unions should only barter away their old customs of negative interference for new rights of positive interference and encroaching control. If they are once cajoled by Mr. Webb, or any other reconstructor of wage-slavery, into taking their foot out of the doorway of management, the door will be slammed upon them and bolted so well with the bars of State authority that perhaps not even the crash of revolution will bring it down.

We need not spend much time over Mr. Webb's substitute for Trade Union interference, since he himself says of the provisions of his "Charter of Liberties" (Liberties, that is, taken by Mr. Webb with the elementary rights of the worker) that "every competent employer knows that none of these . . . reduce by a single penny the margin between cost and price, which is the employer's profit."[1] After this we need not take the term "Charter" very seriously, since it is clear that we shall not find in it the only sort of emancipation worth troubling about. Moreover, we shall come upon some of its details in a more elaborate form at a later stage. One point, however, of the "Charter" calls for mention—to secure which the employers are to make those "concessions" the fraudulent character of which Mr. Webb has himself betrayed. It is, "No Limitation of Output."[2] If the worker is secure in a job and in reception of the standard rate, benefits which the State has already secured

[1] *Restoration of Trade Union Conditions*, p. 101.

[2] Limitation of output is not confined to Trade Unionists; for its practice by employers see *Garton Memorandum*, paras. 137, 138.

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to him by earlier clauses of Mr. Webb's "Charter," "the Government can legitimately ask" him to give up all restrictions on output. Mr. Webb has already explained[1] that the worker has no objection to being "speeded-up" as long as he is not doing others out of a job; and as the State has promised by section 1 of his "Charter" to keep everyone employed somehow, the capitalist can hope to get much more out of his hands than in the bad old days of Trade Union rules.

It is significant that the State should thus be called on to coerce the workers; the phrase "legitimately ask" can mean nothing less. The phrase is repeated in connection with Mr. Webb's last point, attractively served up under the title of "Freedom for Every Worker." Will it be believed that this turns out to be freedom for every capitalist to hire any worker he likes in defiance of any outworn Trade Union prejudices to the contrary? Again the State is invoked to effect this desirable transformation:

> In return for these concessions [!] the Government may *fairly ask* from the Trade Unions *complete freedom for the employer* for engaging any sort of person whatever, for any sort of work, complete freedom for any person to do any task or carry out any process; and complete freedom for the introduction of any machinery or process.

The italics are ours; the sentiments are Mr. Webb's. But the Trade Unions may "fairly ask" him what the Government has got to do with the matter of Trade Union rights, which are not derived from its sanction and do not exist at its pleasure. If they are to be

[1] *Op cit.*, p. 70.

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abandoned, it must be only in exchange for something more positive, and not to assist the " complete freedom for the employer " to do what he likes, about which Mr. Webb seems so much concerned.

It is worth while remarking in this connection that to talk of Trade Union *rules* as being mainly concerned with the restriction of output is highly misleading ; restriction, where it occurs, arises for the most part spontaneously from the instinctive desire of the worker to protect himself from "speeding-up," the cutting of rates, and unemployment, and is a matter of custom rather than of regulation. That there is good ground for these apprehensions even the reconstructionists will often admit. For instance, let us quote the *Garton Memorandum*[1] :

> The chief economic objection of the worker to the introduction of labour-saving machinery arises from his belief, unhappily founded on experience, that its immediate effect is to lower his wages or deprive him of his job. With some qualifications, this objection is well founded.

And in later paragraphs the writers say :

> The limitation of output by Labour arises partly from the legitimate desire to restrict the hours of work in the interest of health, education, family life, and enjoyment. . . . Good work cannot be expected from men who are ill-fed and insufficiently clothed, or feel that they derive no advantage from increased production.

Whether either the workers or the community will obtain the almost fabulous benefits commonly associated nowadays with the dogma of " Increased Production " is a moot point which we must leave

[1] Paras. 101, 139, 143.

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to be debated by the economists.[1] In any case Labour, after its unparalleled exertions during the War, will be in no mood to adopt a policy of "Kill yourself to cure yourself." In any case, even if increased production is to be the main goal of industry after the War, long hours and the universal adoption of overtime will not be the best way to secure it.[2] A shorter working day is as prudent a policy from an economic standpoint as it is imperative from the point of view of the worker's welfare and happiness; a "six-hour day" has already been advocated by so astute a capitalist as Lord Leverhulme.

There is, however, in the last analysis, no satisfactory guarantee of efficient labour and uninterrupted output but democracy in industry. As long as the workers are on the defence in a class-struggle, unscrupulous methods on one side will provoke reprisals on the other, and the Trade Union has no other weapon against the wage-system than combination against the speeding-up of the average

[1] Another point of view from that now so prevalent has been well stated by Mr. A. J. Penty. He says, for example: "Fabians and capitalists appear to be agreed that our one hope lies in increasing the volume of production. . . . What these wiseacres leave us in doubt about is how this increased output of goods is to be disposed of. The same people who advocate an increase of output also tell us that after the War there will be a decreased purchasing power among the belligerent nations. How they reconcile these conflicting ideas, and how any wise statesmanship is to be based upon them, I am entirely at a loss to understand. . . . The disease which has afflicted the modern world is one which might be described as 'industrial gluttony'; and just as the glutton, by reason of his greed, fails to benefit by the food he eats, so a community which produces in excess of real needs (as ours does) remains poor because its organs become incapable of assimilating its produce."—*Industrial Reconstruction*, pp. 277, 278.

[2] It has been asserted with some show of reason that the war-time strikes have not on the whole reduced output, owing to the increased exertions of which the workers have proved capable after the unwonted rests afforded by a few days' absence from the workshop.

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worker to the level of a few selected individuals. Moreover, it is only by seeking to obtain a monopoly of its labour that a Union can hope to maintain wage-rates ; no State guarantee (even supposing that the obtaining of favours by State intervention were a satisfactory policy) could for long induce capitalists to conform to standards which they would declare to be " economically unreasonable." With a large reserve of available labour to draw upon, the employers could defy even Mr. Webb himself to make them pay rates which economic power did not " justify." That all Trade Union restrictions are conducive to the best interests of the community we do not assert ; but, then, neither is the capitalist system, which is the cause of them. In proportion as that system is modified by the workers' achievement of genuine responsibility and freedom, the community—and even, for the moment, the employer —will be better served. We have already seen, in discussing the Collective Contract, how this may be so ; it is along these lines, and not by the adoption of industrial militarism, that society may expect the attainment of its own interests and the liberation of Labour at the same time.

But industrial militarism is a solution seemingly swifter and more simple, and certainly more natural, to the governing class mind. " Scientific Management," " Premium Bonus," " Increased Production," and " a nation under orders " in workshop, mine, and mill, is the alternative urged by the apostles of capitalist efficiency to the ideal of Guild control. Yet their wisest see that these things cannot easily be imposed upon the workers until

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they have been " educated " into believing in them. Mr. Ernest Benn, for instance, in his book *Trade as a Science*, puts the matter quite plainly. He deplores the " damage which is done by leaving Labour to form its own opinion," but declares that whereas

> The old-fashioned employer regards the Union as a curse, as a matter of fact, if he only understood how to handle it, it might well be of the greatest advantage in the development of trade.

But it is not every employer who is accomplished in the delicate art of " handling " Trade Unions; and in any case " the education of Labour in the point of view of capital and commerce " is too important a matter to be left to chance. It should be a function of the Government.

> The expenditure necessary . . . would probably be found to be the most remunerative item in the cost of a Ministry of Commerce.

Mr. Benn suggests further that

> The work of the Labour Secretary and the Labour Committee of a Trade Association [an organisation of employers only, be it noted] would, in a general way, be to watch over the interests of Labour and [our italics] *keep in such close touch with Labour opinion as to see that it was formed with due regard to the interests of Capital and of the industry generally.*

Mr. Benn, however, is nothing if not up to date, and he is an enthusiastic supporter of industrial autonomy. He argues very capably for the principle, and proposes an interesting application of it in his contribution to *Industrial Reconstruction*.[1]

[1] See pp. 73–82 of that volume.

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We take from there his concluding summary:

My demand is on behalf of the nation for the fullest possible development of each industry. My argument is that everyone engaged in that industry ought to be given the opportunity to take a hand in that development. My theory is that this can only be done by the introduction of the representative principle into each trade, and the setting up of authorities for the study and control of the whole trade. On these bodies Labour should have an equal voice with Capital.

It is clear that we are not far from the proposals of the Whitley Report; and as these proposals incorporate the result of much previous suggestion and speculation on the subject of Joint Councils, we shall consider them as representing the most constructive, as they are certainly the most official, programme in this respect, and deal with them in accordance with their importance.

The suggestions of this now famous Report[1] have been so often associated and even identified with the aims and the programme of National Guilds propaganda that it is necessary at the outset to remove this misunderstanding. A typical instance of such a confusion was afforded by the notorious series of articles on the "Ferment of Revolution" which appeared in the *Times*. The writer, after declaring that "within due limits we, too, are prepared to trust Labour," proceeded in these words:

[1] *Interim Report of the Reconstruction on Joint Standing Industrial Councils* (Cd: 8606). The National Guilds League has published two "White Papers," printed in facsimile of the Report, explaining carefully how the latter's objects and proposals differ from those of the League and outlining its constructive alternative. These two publications (*Observations* and *Notes for Trade Unionists*) should be studied by every one interested in the proposals of the Report.

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A special sympathy is due to the Whitley Report and the practical measures now being taken to give it effect; for this scheme is in all its essentials equivalent to the scheme of National Guilds, and will give to the wage-earner a long-overdue improvement in his status, making him in principle a partner in industry, and not its drudge.

Our comment on this passage must be this: it is exactly in its *essentials* that the Whitley Report is not "equivalent" to the National Guild proposals, since these demand not merely an improvement in the status of the worker, but a complete alteration of it; the partnership which they propose is not a junior partnership in profiteering, but a partnership between the Guilds, representing industry, and the State, representing all those common purposes of the community which affect all its members equally and in the same way. This distinction should help to set us right; if further doubt remains, it will surely be removed by a consideration of the objects of the Whitley Committee. These are stated as follows:

(1) To make and consider suggestions for securing a permanent improvement in the relation between employers and workmen.

(2) To recommend means of securing that industrial conditions affecting the relations between employers and workmen shall be systematically reviewed by those concerned with a view to improving conditions in the future.

Unless, therefore, the Report is drafted in such a way as to disregard or misinterpret these objects, it is clear that the result of the application of its proposals will be to strengthen and to stereotype the wage-system, not to undermine it. Guildsmen do

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not seek to bring about an improvement in the relations between Capital and Labour, since they believe those relations to be fundamentally evil; while, as for a "permanent improvement," this can only come about by a surrender of the worker to the purposes of profit and the acceptance of a subordinate status in the pursuit of it. As for the "systematic review" of the conditions of the wage-system, we have every desire to see that task vigorously undertaken by the Trade Unions, through their District and Shop Committees no less than through their National Executives. But we are of opinion that they are more likely to achieve that "Encroaching Control" on the importance of which we have already insisted by formulating their demands and negotiating about them in the usual way than by trusting to secure it by accepting a share in Councils which might only too often result in becoming administrative organs of profiteering.

The general object of the Whitley Report, then, is to provide a safety-valve for "Labour Unrest" which will at the same time involve the acceptance of the idea of a common interest between employers and their workers, transcending minor differences between them. How much truth there is in this assumption we will examine in a moment. In the meantime we may suggest certain further motives, in harmony with the avowed objects to meet which the Report was drawn up, and deriving naturally from them—motives which must have been uppermost in the minds of some of its signatories. One of these motives is simple and natural enough: a desire to prevent, or at least delay, the outbreak of

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strikes. Another is the anxiety to forestall the rather vague demand of large sections of the workers for a "share in control" by offering a version of "control" which shall be compatible with Capitalism and even a useful buttress of it. No mention is made in the Report either of the immediate demands of the more resolute sections of the workers for instalments of exclusive control by their own associations, or of their ultimate goal of partnership with the community. These are quietly ignored, and a substitute put forward which is at the best innocuous, and at the worst a grave peril to the principles of industrial democracy.

The Whitley Report is a document more often talked about than read. This is a pity, since ignorance of what the Report actually does propose may lead to much misunderstanding; it is only when it is closely studied that the significance of many of its suggestions becomes apparent. A casual reader might not notice, for instance, that while the workers' side of the proposed National Industrial Councils and of the District Councils which the National Councils may set up is explicitly based upon Trade Unionism—a decision which may certainly count to the Whitley Committee for virtue—this proviso is quietly abandoned when the works unit is reached, and it is recommended that the committees should be "representative of the management and of *the workers employed*." Again, a superficial knowledge of the Report has led many persons to speak as if its proposals definitely provided for "joint control," whereas, though its recommendations certainly propose that the Joint

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Councils "meet at regular and frequent intervals," not only is there no guarantee that the District and Works Council (through which alone "joint control" could be made effective, if at all) will ever be set up, since this will only come about if the National Councils so decide; but, even if they are, the matter of control need not necessarily be accepted as one of the functions of the Councils. The Report goes no further than to include, among the "appropriate matters" for the consideration of the Councils, "means for securing to the work-people a greater share in and responsibility for the determination and observance of the conditions under which their work is carried on." Far from making the attainment of some share in control the object of the Joint Councils, it only suggests tentatively that this may be one of the "questions" with which they might deal.

We would point out, then, that control is not guaranteed to the workers, even in the form of "joint control," by the proposals of the Whitley Report. But let us suppose that the Councils, or some of them, should decide to consider the "sharing of control" by the "work-people" as "appropriate" to their activities; it remains to be discovered, not merely whether the idea of "joint control" is desirable, but whether it is in fact feasible at all. Can the control of industry be actually shared by Capital and Labour, acting together in a single body? A little consideration will show that this is impossible. Joint negotiation, even in the form of Standing Joint Councils, is possible; divided control, by which Labour consents to take over

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certain industrial tasks and consult with representatives of Capital as to its performance of them, is also possible. But "joint control," in any strict sense of the phrase, is simply a myth—at once a fallacy and fraud.

Labour cannot secure the control of industrial affairs through the agency of a composite body. For such a body must necessarily work in one of two ways:

(*a*) Either the Labour side of it will preserve an attitude of complete independence, will regard itself as in fundamental antagonism to the employers on all questions regarding the status and condition of the workers, and will conduct its business as one of negotiation, not as one of administration;

(*b*) Or the Labour representation may capitulate, accept the permanent overlordship of capital, and devote itself only to securing the smooth working of the industry in accordance with the desires of the masters.

We hope that this second alternative is as unthinkable as that the employers should capitulate and accept the dominance of Labour.

But, leaving such possibilities aside, it is clear that the Joint Councils and Joint Committees must on all points—on questions of wages, of hours, of discipline, of status—be composed of two sides with opposite interests and opposite aims. These two sides may negotiate; they may bargain; they may compromise. But they cannot from the very fact of their inherent antagonism *control* jointly. The very first essentials of a controlling body is that its members shall have—not, indeed, identical views—but a certain community of purpose, and a certain identity of point of view.[1]

It may be objected that "joint control" is no part of the Whitley proposals, but rather a "share in

[1] *Observations on the Whitley Report* (National Guilds League) p. 4, paras. 14–16.

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control," by which term is intended the suggestion that the Joint Councils shall agree from time to time to allocate certain tasks of industrial organisation to the workers. As will be abundantly clear from the previous chapter, we do not object to Labour's encroaching, through its Trade Union machinery, bit by bit upon the functions of Capitalism as long as this policy is pursued with the fullest independence and without prejudice to a future expulsion of the capitalist from industry altogether. Indeed, this doctrine of "Encroaching Control" seems to us to be of the essence of Guild policy. But all depends upon the spirit in which such experiments are made. Encroaching control by Trade Unionism is one thing; capitalist devolution by employers quite another. The object of the former is the achievement of industrial self-government by the workers at the expense of profiteering; the object of the latter is the conclusion of a new industrial concordat confirming the wage-system, by which Labour accepts a subordinate rôle in the control of production, and is paid wages for consenting to organise its discipline to that end. This concordat is based not merely on the acceptance of a perilous and false responsibility for inferior tasks; it implies the abandonment of any invasion of capitalist privilege. It is intended to register the attainment of an assumed equilibrium, not to signify the promise of a further and unlimited advance.

This, then, is the essence of "joint control"—it is the camouflage of Labour's capitulation to wage-slavery. "Joint control" does not mean that at every stage and in every department of industry the workers are to be called on to co-operate with their

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employers in taking the initiative or even in the making of decisions. We do not suggest that such a co-operation would be satisfactory, based, as it would necessarily be, on a caste division of society and the maintenance of profiteering. But at least it could fairly be represented as "joint control," and would give some ground for the apology sometimes made for the Whitley Report by its democratic champions, that it introduces into industrial control the authority of Labour, which is bound, as a result, sooner or later, to expel the authority of Capitalism. But the Whitley proposals, by delimiting the intervention of Labour strictly to the adjustment of the wage-system, do not menace but rather strengthen and sanctify the authority of Capitalism. How true this is the reader can best estimate for himself by glancing down the list of questions suggested in paragraph 16 of the Report for the consideration of the Councils. Not one of them entrenches on the wage-system; most of them are concerned directly with its regularisation.[1] Such essential parts of industry as the purchase of raw material and the putting of the finished product upon the market are tacitly excluded from the list of matters "appropriate" to the Councils. By many reconstructionists they are in set terms ruled out as far as Labour's "share in control" is concerned. In *Labour, Finance, and the War*, a report drawn up for the Economic Science section of the British Association, the writers say roundly:

[1] It is well known that Mr. Malcolm Sparkes's scheme for Industrial Parliaments formed the basis of the Whitley Report. "The Regularisation of Wages" was one of the subjects which Mr. Malcolm Sparkes suggested that his projected "parliaments" would "naturally" include in their agenda.

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With such things as the marketing of products, Labour is only indirectly concerned. . . . Those functions of organisation which are concerned with bringing together the different factors in production, determining the proportions of these factors in any enterprise, and bringing the product to the consumers must remain in the hands of the managers.

And the rest of the Report leaves no doubt that, in the opinion of its authors, the managers must remain in the hands of the profiteers.

"Joint control" we see, then, to be almost as fraudulent an idea in application as it is fallacious in theory. An even more specious doctrine is concealed beneath the word "responsibility," the frequent appearance of which in connection with schemes of reconstruction may be due to their authors adopting the advice of the *Times* writer, quoted earlier in the chapter, "to see whether some use is not to be made" of the Guildsman's ideas. It is true that the Guildsman has placed the idea of responsibility for the Trade Unions in the forefront of his propaganda. But their responsibility should be a responsibility not for discipline to the capitalist, but for service to the community. It may be admitted that while Capitalism remains in economic control the two may sometimes appear to coincide; yet they are essentially distinct. While Labour remains in bondage to the wage-system as the raw material of profit, true responsibility is impossible for it, since its purposes and activities are dictated to it by masters wholly exempt from its control and accepted only under constraint. Responsibility without choice is as impossible for a subject class as for a subject people. Labour, however, may—indeed,

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it must—assume responsibility for an industrial function which it completely controls. As it pushes the doctrine of "Encroaching Control" further and further into the sphere of production, and thus entrenches upon the operation of the wage-system, its responsibilities will become wider and heavier; nor must it be afraid to shoulder them. It must once again be insisted that such responsibilities are not owed nor can they be assumed in respect of Capitalism, not even under the specious claim of "the prosperity of the industry." Prosperity *for its own sake* is not Labour's business until its emancipation from slavery to the purposes of profit has been achieved.

We do not, of course, deny that the prosperity of the industry is a matter of concern to the workers, or that there may be matters on which co-operation with employers is possible and useful. We venture to quote once more from a publication of the National Guilds League[1] that exactly expresses our point of view on this matter:

> We do not ignore the fact that the fundamental antagonism of the interests of employers and workmen does not prevent them from having in common certain immediate interests which are not anti-social in character. Such interests are concerned primarily with the prosperity of industry, especially in relation to technical education, the progress of invention, and the upkeep of a reserve of skilled labour in periods of slack trade. It is, however, easy to see that too great insistence upon these limited and immediate common interests may readily be used to obscure the fundamental antagonism, as well

[1] *Notes for Trade Unionists on the Whitley Report*, p. 6, paras. 17, 18.

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as to foster co-operation of an anti-social character to the detriment of the public.

While, therefore, we do not exclude co-operation between employers and Trade Unions in this limited sphere, we are emphatically of opinion that such co-operation requires to be most carefully limited and safeguarded. In no case should Labour co-operate unless the Trade Union is admitted to an equal share in the management of any joint organisation for technical training, invention, or research; and, should co-operation prove desirable in the matter of maintaining the unemployed or under-employed, the method should be that of an unconditional subsidy to Trade Union, unemployment funds to be administered entirely by the Trade Unions themselves.[1]

We may seem to have wandered somewhat from the proposals of the Whitley Report; but it is impossible to arrive at a clear and consistent attitude towards those proposals unless we are first clear and consistent in regard to the principles from which we approach them. In general, we should lay down two conditions as essential in formulating a practical policy in relation to the Whitley proposals. First, that Labour should enter no Joint Council with Capital, save on the definite understanding that no fusion of interests between the two is possible. It is essential, therefore, that Labour representatives entering such Councils "should maintain a complete independence, that they should feel themselves to be delegates negotiating, not administrators co-operating." It follows, in our view, that these Councils should be regarded rather as a development of machinery for negotiation than as permanent administrative organs of industry; and to a large extent our treatment of negotiation in the previous

[1] See below, chapter IX., pp. 420–430.

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chapter[1] would apply to the Joint Councils, should they be established. Certain special safeguards, however, should be insisted on. The Labour representation on the Councils should on all occasions meet separately to prepare its agenda and formulate its policy. It should elect its own chairman and secretary, and insist upon its right to place any matter upon the agenda which it may desire to see dealt with. Above all, there must be no intervention from outside by "impartial persons," whether State representatives or otherwise.

The second condition which we regard as essential is that if Joint Councils are to be set up, it should only be in industries where Labour is organised to present at least a comparatively united front. It would perhaps be too much to demand that the workers in any industry should refrain altogether from entering into such a Council until they had achieved complete Industrial Unionism. Nevertheless, the existence of an Industrial Union does undoubtedly justify Labour's entering into experiments which, until such an organisation is achieved, may prove disastrous. For it is not difficult to see how easily these Councils might be used by a united body of employers to divide the workers and play off one sectional organisation against another, especially when rivalry between them is already strong. A Whitley Council in the engineering industry, for instance, might well serve to obscure altogether the fundamental antagonism between Capital and Labour by accentuating the antagonism between the Amalgamated Society of Engineers and the smaller Craft Unions. Before the workers in any industry can safely consent to

[1] See above, pp. 169–171.

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form part of any joint body in which to press forward their differences with their masters, they have first to settle their own. Thus, for example, what may be possible for workers in the mines, on the railways, and in the iron and steel trades, owing to the superior organisation which they have achieved, must needs be more dangerous for workers in the textile and printing industries, and can only be disastrous as things at present stand for workers in engineering, shipbuilding, and waterside transport. We are certainly not saying that the achievement of Industrial Unionism in itself necessarily justifies Labour entering into Joint Councils with the employers ; many other considerations have to be taken into account before so important a decision should be made. We assert, however, that a vital consideration in the matter is the degree of unity with which Labour will face the employers on the Joint Councils, in the works and in the district no less than in the national body.

It will be obvious by this time how great are the perils that lurk in the proposals, and still more in the assumptions, of the Whitley Report, and with how much wariness Labour should approach them. Official Labour has been rather bewildered by the Report, and almost as dazzled by the prospect of representation in an " Industrial Parliament " as it has been by membership of a political one. But the more clear-headed and stout-hearted sections of the workers have already grasped the essentials of the situation to which the Whitley proposals have given rise. At the Shop Stewards' Conference which met in December, 1917, the chairman of that important, albeit unofficial, body spoke as follows :

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The Report, I must point out, reveals an outlook which is in fundamental opposition to your own. Its outlook I can best describe as static, accepting the present economic relationship of the respective classes as permanent. Our outlook of necessity must be dynamic, regarding the present situation as temporary, deeming all innovations of value in so far as they help towards a fundamental change in the economic relationships of the classes in society.

The question, then, is how far the Whitley proposals can be made to help towards this " fundamental change." In this connection we must recognise how grave is the danger of the workers, through joint action with their employers—or, more accurately, through complicity in the action decided upon by their employers—becoming infected with the very spirit and outlook of profiteering, against which their movement has, up to the present, been essentially a protest. The very fact that the Councils are invited to concern themselves largely with the adjustment of piece-work prices and with the " need for securing to the work-people a share in the increased prosperity of the industry," gives ground for the fear that in this way, along with the bribes (fallacious though they may be) of " Premium Bonus " and other forms of appeal to the cupidity of the individual wage-earner, the worker may be seduced from his wavering allegiance to the ideals of service and emancipation into a surrender to the forces of Profit. There is the further danger, already touched on at the opening of our previous chapter, that the Councils may inveigle the workers into a subordinate share in those National Trusts which are an alternative, as obvious as perilous, to

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the National Guilds in which the workers' emancipation must be sought and preserved. There would be plenty of opportunity for schemes to be hatched between employers and Trade Unionists as anti-social as any that could be attributed to Syndicalism,[1] if the Trade Unionists entering the Councils did so in a spirit of friendly co-operation with Capitalism. Nor are we reassured by the suggestion somewhat vaguely made in the Whitley Report that the State (which "never parts with its inherent over-riding power") could, and should, intervene to prevent such anti-social schemes. We have already given our reasons for doubting the credentials of the State of to-day as an impartial authority, and we have no wish to see compulsory arbitration thus introduced by a side-wind.

In addition to these major dangers, there are some minor ones involved in the adoption of the Whitley proposals, which are, however, serious enough to demand that they should be taken into account. There is, for instance, the difficulty of deciding how the officials of Capitalism, the foremen and under-managers, are to be fitted into the scheme. Are they to appear at the Council table side by side with the employers, and as their direct representatives? No other course would seem to be open, since it would be next to impossible to discuss questions of discipline and organisation—in a Works Council at any rate—unless they were present

[1] Tariff and price agreements offer two obvious examples of subjects for such schemes. It is worth noting, moreover, that these agreements might involve the Councils, and therefore the Trade Unions connected with them, in conflicts not only with the general public, but with other Unions—a conflict to be at all times most carefully guarded against.

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and could be interpellated by the workers' representatives, while, if they appeared, it could only be as the watchdogs of Capitalism. But the stereotyping of castes among those who are, after all, alike in being exploited as the hirelings of Profit, is a very mistaken policy for Labour, and any step towards it is an unfortunate one. If those whom we have called the N.C.O.'s of Capitalism find themselves continually ranged with their masters in opposition to the workers' spokesmen on the other side of the table, it will become appreciably more difficult for Labour to win them to their true allegiance.

Another danger foreseen by some opponents of the Whitley proposals is that Labour representatives, becoming involved in permanent Joint Councils with the employers, will find themselves outmatched and outmanœuvred by the superior adroitness and more subtle intelligence of Capital. Mrs. Sidney Webb, for instance in a lecture on " The Proposed Organisation of Employers in State-aided Associations " delivered to a Fabian Research Department audience in February, 1917 was reported to have said that " the Trade Union leaders had not brains enough to maintain their authority on Joint Boards." She wrote immediately to disclaim " the implication that individual Trade Union leaders have not sufficient brains," and declared that the true meaning of what she had sought to convey was that

> The Trade Unions, as at present constituted, did not provide a sufficient number of brain-workers to undertake this new task of helping the capitalists to administer a trustified industrial organisation without seriously impairing Trade Union organisation.[1]

[1] See the *Herald*, February 24th, 1917.

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But this version of Mrs. Webb's remarks is really beside the point, as far at any rate as Guildsmen are concerned, since they would never admit that the administration of a "trustified industrial organisation" could possibly be a legitimate function of Trade Unionism. Nor does the question whether Trade Union representatives would have "brains enough" state the problem accurately, since the doubt arises, not whether they would have enough brains, but whether those brains would be of the right type to protect Labour from being outwitted by brains, not perhaps superior, but only more practised, more ingenious, and—possibly—more unscrupulous. Indeed, it is doubtful whether the problem can be expressed in terms of brains at all. It is rather a question of "atmosphere" and of morale. Is the morale of Labour's representatives likely to be proof against the atmosphere, not merely of profiteering, but of governing-class prerogative? The analogy of politics—admittedly incomplete—is, at least, not encouraging. The experience of negotiation machinery, it may be said, shows that, in the industrial sphere at any rate, the Labour spokesman can be trusted to keep his end up. Even if this were completely true, it does not follow that a man who is a sound judge of a definite issue with the merits of which he is well acquainted can be equally relied on for good judgment of matters concerning which both he and those to whom he is accountable know very little. A passive and muddle-headed assent by Labour to the projects of its masters may be of great moral value to Capitalism. Ambition to figure prominently as an

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industrial Parliamentarian may drive the Labour leader into courses disastrous to the independence of the workers.

We have indicated at some length the dangers involved in the establishment of Whitley Councils; nor have we exhausted the list, for there would be no difficulty in suggesting more. But though the Guildsman should decide, as well he may, that the perils of the Whitley proposals outweigh their advantages, and that the difficulties involved in their application neutralise the opportunities they offer, it is of no use for him merely to wash his hands of the matter in disgust or to wring them in impotent despair. He must rather seek to exploit the situation, even though he cannot command it. Two facts have got to be reckoned with: Joint Councils are already in some instances being set up, and, secondly, the promotion of such Councils wherever possible is now the official policy of the Government. The first body definitely inspired by the Whitley Report has been established in the pottery trade,[1] and is distinctly ambitious in the scope of its proposed activities. While its general object is, as might be expected, the exemplary one of "the advancement of the industry as a whole," its agenda will include the technical education of apprentices, the conditions and health of the workers engaged in the industry, the regulation of production in correspondence with the market, and the representation of the industry on any local and industrial Councils that may be formed.[2] Such a programme—and

[1] A similar body has for some months been in contemplation in the building industry, and its establishment may be expected shortly.

[2] The most remarkable of this body's specific objects calls for literal

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we have quoted only its leading features—offers undoubted opportunities to the workers concerned to invade spheres of control hitherto closed to them. Guildsmen must not fail to point out that the principal concern of Trade Unionism is not with the "industry," but with the Guild which must control it. The industry to-day does not belong to the workers engaged in it, nor even they to it; it belongs to its capitalist proprietors, as do the workers also, along with the rest of the raw material and plant which it represents. This scheme should enable the pottery workers to control their own labour; it does not help them to control Capital, and it may even bind them to the morals and purposes of Capital more closely. It may do so—but it need not, if Labour in this and every other instance enters the Council resolved to seek its inheritance and not its ease.

The Whitley proposals, then, are no longer merely in the air; they are coming down to earth and taking shape under the distinguished patronage of the State itself. "Bless you, my children," says the Government in effect to Capital and Labour, the objects of its busy match-making, admonishing the one to cherish and comfort, and the other to love, honour, and obey. An essential part of the ceremony has been omitted, however; Capital is not enjoined to promise to its partner that "with all my worldly goods I thee endow." The omission is fatal

quotation: "To assist the respective associations in the maintenance of such selling prices as will afford a reasonable remuneration to both employer and employed." Apart from the acceptance of the wage-system therein implied, the danger to the public interest involved in this proposal is obvious.

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to the honour and the happiness of the match, and even the match-maker may live to regret it. For, as the *New Age* has well pointed out,[1] the adoption of the Whitley Report "represents a fresh triumph of Capitalism over both Labour and the State."

Under the Whitley scheme Capitalism has a double defence. It might be represented as Capital supported by the State and Labour rampant. In any dispute between Labour and Capital, Capital will appeal to the State for support. In any dispute between the State and Capital, Capital will appeal for support to Labour. Capital, in short, has compromised between the devil and the deep sea by ensuring itself the support of either against the other.

The suggestion is ingenious, and the capitalist himself may not yet be conscious of its possibilities. But it is important that Guildsmen should be alive to them, and press upon Labour more urgently than ever the truth of the only social partnership at once safe and honourable—the co-operation of the democratic Guild with the democratic State.

In the meantime the Whitley Report has raised in a new form the problem of how the workers should stand in relation to the far from democratic State of to-day. Should the employees in the public services consent to enter into Joint Councils with their bureaucratic masters? Or, to put the question in a more practical form, should they demand that such Councils, which have been so urgently advocated by the Government where profiteering industries are concerned, should be established by the State itself, so that its employees

[1] See "Notes of the Week," November 1st, 1917.

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may enjoy their benefits, and private enterprise profit by the spectacle? The postal workers[1] have not been slow to remind the Government that example is better than precept and an ounce of practice worth a ton of theory. If it is essential to offer to the employees of Capitalism proposals which will "involve the enlistment of their active and continuous co-operation in the promotion of industry," may not those who work primarily for the service of the community and not the enrichment of shareholders hope for at least equal opportunities?

The inquiry was natural, and it has not been confined to postal workers. It has been made in varying forms by many branches of the Civil Service.[2] In one case an application was made to the Treasury to have the Whitley proposals extended to a certain Department. The reply was a refusal on the ground that the "Civil Service is not an industry." There is a certain haughty dignity in the plea, but it cannot be said to be conclusive. In fact, it suggests exactly the reason why Joint Councils have a special claim on the attention and the interest of State employees: the element of profiteering is absent, and the greatest danger involved in the Whitley proposals is therefore absent also. The point is well put in a pamphlet of the National Guilds League already referred to[3]:

[1] See the debate on the Post Office Estimates for 1917. A most interesting scheme for the application of "joint control" to the Post Office, elaborated by Mr. A. E. Zimmern, appears in the volume of Ruskin College Lectures, entitled *The Reorganisation of Industry*, and is also printed as an appendix to the *Garton Memorandum*.

[2] See, for instance, the *Customs Journal* for December 1st, where the demand is made for the application of the Whitley Report to the Waterguard and the Customs and Excise Department.

[3] *Notes for Trade Unionists on the Whitley Report*, p. 7, paras 26, 27.

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The fundamental antagonism between employers and employed offers an insuperable barrier to any "joint control" of industry by them. The employers' motive of profit-making is fundamentally inconsistent with the Labour motive of communal service in a democratic society, based on emancipation from the wage-system.

The position is not the same in services which are publicly owned and administered, whether by the State or by a local authority. Although these services are run at present mainly upon capitalist lines, we believe that to some extent joint administration by the State and Trade Unions is possible even to-day as a transitional stage. In all publicly owned services we therefore urge the Trade Unions to press at once for equal representation upon all bodies, local and national, which are at present in control of administration, or for the creation of administrative bodies upon which Labour is equally represented.

While we may agree broadly that it is essentially sound for those who are in the State service to strive for the transformation of that service from a bureaucratic autocracy into a democratic partnership, "joint control" has its difficulties and its dangers in public as in private employment. It is not easy, for instance, in the case of a public service to say who exactly is the "employer"; or rather, it is not easy, in the transition from the bureaucratic Department to the civil Guild, to frame machinery of such a kind that the essentials of the situation will not be obscured and evils created worse than those it is sought to remedy. For the higher grades of the Civil Service are in no sense the employers, though they may regard themselves as the superiors of the lower grades; that sundering and stereotyping of castes which we have already seen to be a danger of

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Joint Councils established in private industries would be especially deplorable in the public service, where, for all their differences and jealousies, the various grades have been accustomed to regard themselves not as master and man, but as sharing in a common service. The Whitley Report has valuable morals for the State employee, and especially perhaps for the postal worker; but even here the maxim of "Encroaching Control" is the only safe one, and no Joint Council can be a substitute or a wholly reliable forerunner of the responsible and self-governing Guild.

There is one class of workers, however, for whom the Whitley Report has a special significance, and they are the employees in those industries, now "State-controlled," but clearly ripe for national ownership, such as the mines and the railways. It happens that the Trade Unionists in these industries are already a step nearer the Guilds than their fellows, since they have attained substantially the Industrial Unionist structure which is a necessary stage on the way. It behoves them, then, to be extremely wary of the nature of the partnership which they seek, and though, as we have pointed out, the dangers attending their entrance to a Joint Council with their capitalist employers would be less than would arise in the case of industries not so well-organised and united, nevertheless there lies open to them a more excellent way. Let them press forward urgently the demand for control, and translate it everywhere into practical schemes; but let them couple it with a demand for immediate and complete public ownership! Guildsmen have often

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urged the workers to accept nationalisation only if it is accompanied by extensive grants of control. But the time has come when miners and railwaymen should consider whether they may not make the price of their acceptance of that joint co-operation to which by the Whitley proposals they are tentatively invited the elimination of private profiteering from the essential services of the country. Nothing could be more public-spirited than to couple a demand for responsibility for themselves with a demand for the creation of a public service for the nation; we hope that the Miners' Federation and the National Union of Railwaymen will be alive to their opportunity to offer an example simultaneously to Labour and to the public.

Whatever advances Labour may hope to make through a judicious handling of the Whitley proposals, these advances must be looked for at the base of the industrial structure, not at its summit. It is one of the gravest defects of the Report that it starts from the wrong end; it concentrates on the National Council and tends to ignore the essential unit of the workshop. Indeed, no definite reference to the workshop, as opposed to the works, is to be found in the Report. As regards Works Councils, we have already pointed out that these are only to be set up if the Councils above them so decide, and that, even when they are, the workers' side is not to be based explicitly on Trade Unionism. These defects are damning to the Whitley proposals from the standpoint of industrial democracy, which cannot tolerate that it should be ignored by leaders or betrayed by blacklegs. We have said enough in the previous

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chapter to show how vital is the need for a policy of "Encroaching Control" beginning in the workshop, but there is one proviso on which it is necessary to insist, namely, that no arrangement should be come to in a works which falls below the national or district standard of the Trade Union concerned.[1] To guard against this danger it is essential that the Shop Stewards movement, the significance of which has been already explained, should be brought into harmony with the established activities of Trade Unionism, which can only be done by establishing the workshop as the unit of organisation and developing a closer connection between the district officials of the Union and the shop stewards directly appointed by the men in the shop. In engineering, at any rate, these changes are far more urgent than any premature experiments in "joint control."

At the end of our survey of Reconstruction—incomplete necessarily, but not, we hope, superficial—we are forced back upon the conclusion that, before the workers can hope to gain much from the reconstruction of industry, they must put their hand to the reconstruction of the structure and the policy

[1] The verdict of a well-known Trade Union leader, Mr. Fred Bramley, of the Furnishing Trades Association, is interesting in this connection. In a message to a conference held on the Whitley Report in relation to Workshop Committees, he said that, while he was in favour of giving power to direct representatives from the shops in the direction of dealing with shop management apart from general questions of hours and wages, he was entirely opposed to shop agreements affecting the working week, overtime rules, or standard wages or piece-work rates. Bearing in mind the non-Union form, he held that it was exceedingly dangerous to substitute shop bargaining for collective bargaining and to give any employer the opportunity of making agreements with his own employees. He mentioned that his own Association had learned from over fifty years' experience the importance of this point. His advice to Trade Unionists was: "Be democratic, but be careful."

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of Trade Unionism. No ambitious political programme, no statesmanlike report on Reconstruction, can suffice as a substitute for this essential task. In a recent report submitted to the Labour Party Congress for 1918[1] we find, after a repetition of the ancient homage to the servile superstition of a National Minimum, a section headed impressively the "Democratic Control of Industry." Unlike the Conservative and Liberal Parties, we are told, the "Labour Party insists on democracy in industry as well as in government." We can only say that there is precious little evidence of it in this report. Throughout the half-dozen pages which deal with this subject, though there is much talk of Nationalisation, Municipalisation, State Purchase, and even "Temperance Reform," *Trade Unionism is not once referred to*; the only sop thrown to the actual producers is to be found in a couple of parenthetical references to a "steadily increasing participation of the organised worker in the management of nationalised industries."

> It is (the Labour Party holds) just as much the function of Government and just as necessary a part of the democratic regulation of industry to safeguard the interests of the community as a whole, and those of all grades and sections of the private consumer in the matter of power, as it is for the Factory and Trade Boards Acts, to protect the rights of the wage-earning producer in the matter of wages, hours of labour, and sanitation.

If in truth the "Labour Party holds" nothing more

[1] *Labour and the New Social Order*, a Draft Report on Reconstruction prepared by a Sub-Committee of the Executive for the consideration of the Party.

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spirited than this as a programme of emancipation, the "Democratic Regulation of Industry" will not make much difference to the wage-slave at the pit-head, on the railway, or in the workshop. The "New Social Order," for all its magic capital letters, seems strangely reminiscent of the bureaucratic Utopias of nineteenth-century Fabianism.

If we turn from the reconstruction of Labourism to the reconstruction of Capitalism, we find not only clearer aims and more audacious policies, but the rapid creation of organisations capable of realising them. The employers are in far less doubt than the workers as to their proper place in society and how they mean to attain it. State aid and State guarantees, control over legislation, and complete authority over Labour—these are the goals of Capitalism, and means to reach them are not wanting. We are not referring merely to the Trusts and Combines that are becoming more and more a feature of British industry, which has been so wont to boast its innocence of them. It is the controlling and co-ordinating organisations, the Federation of British Industries, the Employers Parliamentary Association, the National Employers' Federation, and the all-powerful associations of employers in the mining, engineering, shipbuilding, and textile industries, which supply the most powerful and significant evidence of Capital's influence and initiative. It is no part of the purpose of this book to give an account of the aims and activities of these bodies. But they offer a striking example of organised will and conscious purpose from which Labour, if it is to combat them successfully, has much to learn.

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It may be objected that in seeming to throw the responsibility for the emancipation of Labour so completely on the workers we are underestimating both the goodwill and the capacity of employer and State alike to assist in the true reconstruction of a free and noble social order. Employers, we may be told, are often sincere in their desire for such a real reconstruction; if they act as tyrants, it is against their true nature; if they flourish as profiteers, it is against their will. The State, again it may be said, is at bottom an organ of social justice, seeking on the whole the common good. Since these things are so, are we not short-sighted in refusing their aid and precipitating a struggle which may engulf us all?

It may be hoped that, for those readers who have followed thus far the argument of the book, the pathetic eagerness and transparent sincerity of such questions as these will not obscure the fallacies and misapprehensions concealed in them. Guildsmen would be the last to assert that the Government of the country or the activities of any of its citizens are powerless to help forward the great changes by which freedom in the Guild may come to replace slavery in the wage-system. Let the State set its face against the exploitation of the workers, support everything that is a challenge to it, and set about to create and foster social bodies based on the repudiation of profiteering and the development in its place of responsible self-government for all concerned! Let the employer divest himself as quickly as may be of his rôle of profiteer, set before his workers clearly and courageously the ideal of the Guild, and prepare them, by the grant of rapid and complete

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instalments of control, for its final realisation! Let the man or woman who is in no direct way concerned with industry apply his time and his talents to the understanding of the issues which are at stake, and seek by every means to frustrate the peril of a confirmed slavery and to help the Trade Unions to realise their true destiny and to achieve it! Thus could the whole nation point the way to freedom, and cut down the weeds and tangled barriers that choke the path to National Guilds.

Alas! it is only necessary to state these possibilities to perceive the folly of building high hopes upon them. But even if all these efforts were exerted to the full, it remains true that for the realisation of the Guild idea there is one thing needful above all—the exercise of initiative by the workers themselves. Freedom can be stimulated; it cannot be imposed. The Guild can be fostered by us all; but it is by the workers that it must be built. Its building will mean a struggle, for it must perforce arise in opposition to the great power and interests of our time. In the next chapter we shall trace the stages through which the struggle may pass if the worker be not vanquished in the course of it. But here let it be said of that essential conflict of interests and ideals known as the class-struggle that we do not "precipitate" it because we are frank in recognising the plain fact of its existence. The shirking of that plain fact can be excused by lack of intelligence; it can be explained by lack of courage; but otherwise there can be no escape from it. "I am the bread," says a Hindoo proverb, "thou art the eater: how shall we agree?" Even so might the worker address the

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profiteer who buys his labour and commands his life.

What hope can we have, then, that the employer will lead the way to the Guild, in which he will but share a power and a prosperity he has been accustomed to enjoy unchecked? He may be caught for a moment by the glamour of the Guild ideal; but when he perceives its challenge, he will turn away sorrowful, having great possessions. Even if he really embraces a policy so fatal to his interests and so hostile to all the creeds and traditions of his class, his opportunities may be few and his difficulties enormous. Employers are seldom in supreme control; their fellow directors have to be considered, their managers consulted, and, moreover, they must, in the majority of cases, "have regard to the interests of their shareholders." But if all these obstacles are overcome by a courageous capitalist, his will may find a way to help his workers to their emancipation. He may co-operate actively with the Trade Union or Unions catering for his employees, inviting the assistance of their shop committees in every decision taken in the works, throwing responsibility on them for every true function of industry (as opposed to profiteering) as soon as they are ready to accept it, handing over to them altogether such experiments as "Welfare Work," smoothing the way to every means by which his transition from profiteer to servant of the Guild was likely to be hastened. It may be objected that in doing so he will be risking the prosperity of the business by granting power to inexperience. A skilful devolution in the hands of a capable and democratic employer could probably be carried out in such a

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way as to avoid this to any serious extent; in any case, there is a sense in which self-government. in industry no less than in politics, is to be preferred to good government. Despite difficulties on the way, a point might eventually be reached when managers and organised workers could approach the State with the claim to be recognised, not as a profiteering corporation, but as a responsible partner in the national service of industry.

It must be borne in mind that we are not putting forward this policy as the probable, or even necessarily as the most desirable, line of approach to the Guilds. We are only attempting to meet the inquiry, "How can the employer help?" That he can help if he would is clear, but he cannot call a Guild into existence where the workers are not prepared to consider the prospect of establishing one. His rôle in such a development must neces sarily be secondary to theirs. The same is true of the State, though perhaps in a lesser degree, since the State, by a policy of genuine nationalisation, has it in its power to cripple the greatest enemy of the Guild idea—the existence of private profiteering. But nationalisation in itself will do nothing to raise the status of the worker or upset autocratic administration. It is to be hoped and expected that when the nationalisation of any industry is proposed by the State the Trade Unions associated with the industry will press urgently for large instalments of control. Even apart from such a demand, the State could do much to establish a nationalised industry on a basis of industrial autonomy. It could approach every grade of the workers concerned, from the manager

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to the unskilled labourers, and demand that they should form a Joint Council to represent each one of their associations from the "highest" to the "lowest." That Council it would hold responsible for the efficient carrying on of the industry, at rates of pay to be agreed on between the Council and a Committee of Parliament and coming up for revision at frequent intervals. With its internal discipline the State would not be concerned further than to encourage every democratic development within the Council which offered guarantees of a reasonable efficiency and broke down the barrier of caste.

Again, we are not proposing this course as the best possible movement towards the Guilds, nor are we suggesting that such a Joint Council would be equivalent to a perfectly developed National Guild, though it would certainly serve for the rudiments of one. We only desire to indicate ways in which the State could prepare a real reconstruction of industry with Service as an end and Freedom as a means. Neither Service nor Freedom seems to us to be the aims of the Reconstruction which has been so loudly advertised, but which remains so little understood. As we approach it nearer, across the desert of our modern industrial system, we see it to be but a mirage ; and the worker, too, will find its visions of democracy dissolve, its promise of responsibility and freedom fade. Emancipation is not to be had for the wishing, or for the asking. If Labour seeks the noble end of its own deliverance from bondage and dishonour, it must search out and follow against all obstacles the ways by which that deliverance may be won.

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CHAPTER VII

THE TRANSITION TO NATIONAL GUILDS

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In politics, democratic forms make constitutionalism possible for the worker; in industry, capitalist autocracy makes a revolutionary policy essential for them. The strategy of industrial revolution: three possible alternatives: (i.) Parliamentary action: limitations of this. Industrial action essential to industrial emancipation. (ii.) Direct proletarian action. "Industrial Unionism" as a programme of revolt: (*a*) the hostility to established Trade Unions; (*b*) the projected assault on profits. Failure of this programme in practice: reasons for this. (iii.) Trade Union action as a path to the Guilds. The organisation of a Labour monopoly. The Guildsmen's doctrine: difference as to its application. The "academic" school: "negative control" and the veto. Practical objections to the academic programme.

The policy of "Encroaching Control." Economic and Industrial Power: which must the worker conquer first? The control of production: steps to its attainment. Result, the partial atrophy of Capitalism and the foundation of the Guilds. The rôle of the State. The later phases of the class-struggle. Public opinion and the Guild idea. "Encroaching Control" and "acceptance" of the Wage-system.

The final stages of transition. Possible alternatives. The situation arising from a complete alliance of the State with Capitalism. How Labour may meet the menace. The provocation of revolution from above: possibility of this. Revolution would only precipitate the choice which society must some day make between National Guilds and industrial slavery.

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VII

THE TRANSITION TO NATIONAL GUILDS

THERE is, we are often told, a great deal of "loose talk about revolution" in Trade Union circles. Trade Unionists, it would appear, have wild notions of overturning the State, the Monarchy, Parliament, and the Church in favour of amazing schemes of communistic anarchy. It is to be noted that the journalists and others who bring this accusation against Labour usually put themselves out of court by indulging in "loose talk" about reaction. And, indeed, nothing could be less true of the Trade Union movement than a charge of this nature, especially in as far as Labour is concerned with politics. Trade Unionists, as a body, no doubt prefer a democratic form of government to an autocracy or an oligarchy; but this preference shows only that Trade Unionism is politically in line with British tradition. After all, Great Britain is a democracy; sovereignty is supposed to lie mainly in the hands of the people's representatives in Parliament. If dark forces have undermined the democratic form of government, and have set up irresponsible bodies in opposition to, and to the detriment of, Parliament, it is surely a public-spirited act on the part of Trade Unionism to oppose these dark forces and to seek to restore the rights of the people. Such efforts are clearly not revolutionary in aim, but

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purely reformative of abuses. Since this country is a Parliamentary democracy, the only political changes which might properly be called revolutionary are such as would introduce another system of government. In a word, it is propaganda not for democracy, but for autocracy, which is revolutionary to-day in politics. If an infuriated mob of *Morning Post* readers were to storm the House of Commons in order to place sovereign power in the hands of Lord Milner as dictator, this would be a real political revolution. But to bring an accusation against Trade Unionists of "loose talk about revolution" is absurd, though they may certainly, to their credit, plead guilty to plenty of straight talk against reaction.

Trade Unionists are constitutional to-day in politics, because they are democrats; but they ought to be revolutionary in industry, also because they are democrats. The solidarity of Labour against the mischievous autocracy of the capitalists in industry would be as admirable and as public-spirited as any other union of democrats against autocracy. What actual talk of revolution there is, however, comes rather from democrats outside industry, men, for instance, as different as Mr. H. W. Massingham and Mr. G. K. Chesterton, who, seeing how the nation is being coerced into political reaction, suggest that the people of the country may be forced into revolution as a protest. Trade Union leaders, on the other hand, are remarkable, not to say notorious, for their political forbearance, while doctrinaire Socialists, who are acquainted with the practical difficulties that beset

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any form of revolutionary propaganda in this country, are the more inclined to dismiss any suggestion of a deliberate political revolution. Indeed, what more than anything has led to the national apathy towards social difficulties is the British workers' disinclination to direct action. The whole country rose up to prevent Prussia attaining the hegemony of the world; but there are few men who have the courage and the will to rise up against the capitalists' accomplished hegemony of industry. Hardly a voice is raised against this amazing and degrading usurpation of authority. The only question thought worthy of discussion is how to compromise with Capitalism. The producers are to make an industrial peace with the owners of capital, which is to give the former a higher standard of living, but to leave the latter with their industrial sovereignty unquestioned. Such a peace, however, would be as dishonourable as ineffective. Just as there cannot be peace in Europe until political autocracies are abolished, so there cannot be peace in industry while the undemocratic system of Capitalism remains. There is no question here of the rights of the capitalist or the rights of the wage-earners; we are concerned solely with the rights of the community and the righting of industry. Only when the control of industry is in the hands of public-spirited National Guilds can there be industrial peace. Industry must be democratised. In this sense, Labour must be revolutionary; and here the Trade Unions should have the world behind them.

We propose to consider in this chapter the lines upon which the revolution in industry from auto-

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cratic Capitalism to democratic National Guilds may be brought about.

The plans which are most commonly advocated fall into three classes: Parliamentary action, direct proletarian action, and Trade Union action. We shall take these in turn. First we may see how far the plan of Parliamentary action by the workers is likely to succeed. It cannot be denied that, in theory, Parliamentary action *might* be successful in democratising industry. If everything went as the advocates of this method desire, there might come a time when the workers would fill Parliament with Labour members, who would then use all the powers of Parliament to establish democracy in industry. But, against this, we must note that such a time is unlikely to come soon; meanwhile the present tendency both in politics and industry is flowing away from democracy. Indeed, long before Labour representatives will be in a position to avail themselves of the powers of Parliament, those powers are likely to have vanished; as Mr. Belloc has insisted, the politics of the Servile State are much nearer to us than those of the Socialist State. There are other fundamental objections to the Parliamentary plan. We must remember that it is not possible to democratise industry from above. Unless the workers in an industry are prepared and organised to control it, no Government ukase to this effect can be successful. Thus the Parliamentary method is plainly valueless unless it is accompanied by a parallel democratic movement in industry; this is no longer denied even by Labour members of Parliament. Another important objection to the

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overvaluation of Parliamentary action lies in the fact that the Labour representatives in Parliament, even when in an overwhelming majority there, might turn out after all not to favour democracy in industry. It is indeed known that most, if not all, of the present Labour members of Parliament are in favour of State Socialism in industry—which vests the control of industry not in the workers, but in a bureaucracy. Can we hope that a Labour majority in Parliament will seek to bring about democracy in industry by means of National Industrial Guilds or otherwise? It may indeed be of value that there should be workers' representatives in Parliament; but it would be both an error and a disaster if any great hope were placed in them as inaugurators of a revolution in industry. Indeed, too much energy has already been wasted by Labour in electoral politics, which would have been expended to far better purpose in industrial action.[1]

No matter where we look for a real improvement in industrial conditions, we must always come back to direct industrial action as the basis of all progress. What form this direct action should take is another question, very difficult to answer. Mr. Chesterton has said that "any denial to-day of the divine rights of the capitalist is in effect a revolution." Evidently, then, there are two elements to be considered in regard to an industrial revolution—the will to this revolution, and the power; that is to say, first, the denial that Capitalism is right, and then the strength to overturn it and establish a better system in its place.

[1] See below, pp. 382–392.

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At present we know that Labour has neither the will nor the power to replace Capitalism. We have seen that the Parliamentary method is far from placing this power in the hands of Labour, and is also utterly remote from developing in it the necessary resolve. Turning to the doctrines of direct action in industry, we find that there are two sharply defined wings of opinion in revolutionary thought. (For the last time we may repeat that we are using the word "revolutionary" here wholly in regard to its industrial and not its political significance, as expressing the freeing of industry from Capitalism and its democratisation.)

First we may consider the proposals of what is called "Industrial Unionism." It is necessary to point out that the phrase "Industrial Unionism" is used in this connection to mean something different from what it signified in our foregoing chapters.[1] There it was opposed to "Craft Unionism," this being the organisation of the workers in Craft Unions according to the *process* on which they are engaged; whereas Industrial Unions are based on the *product and service* their members are combined in rendering to society. But as an industrial goal, and not as an industrial means, it has a further meaning. Here "Industrial Unionism" means what is sometimes loosely termed nowadays "Syndicalism." It envisages the "co-operative commonwealth" of producers, in which a "central administrative industrial committee . . . will represent every phase of social activity," and the "capitalist political or geographical State will be replaced by the industrial

[1] See chapter v., pp. 103–122.

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administrative committee of Socialism."[1] This, however, is by the way; our present purpose is to consider rather the nature of this school's plan for the emancipation of the workers than what it conceives to be the proper end of that process.[2]

We must admit that this school has so far had a larger influence on theory than on action. The numbers of such Industrial Unionists are doubtless small, but their earnestness and persuasiveness are beyond question. The Industrial Unionist appeals to the workers, or rather to the proletariat, somewhat after this fashion: "You, the proletariat, are the exploited class; the capitalists are the exploiters. Every product is the work of your hands, and of the machines and tools made by you. But the product is stolen by the capitalists, and, instead of its true price, you receive only a wage. Realise your position and your strength! Sweep away these parasites who are living on the wealth you produce; dispossess them of your rightful possessions—the goods you yourselves have made and are making. Drive the capitalists out of industry by every means in your power, by every form of pressure undertaken at every likely moment." The Industrial Unionists have little liking for the existing Trade Unions, which they regard as mere mutual benefit societies. They call upon the proletariat to cut themselves loose from the moneybags of the established Trade Unions, and to organise in new and vigorous fighting units. These will set before themselves the single

[1] *The State: Its Origin and Function*, by W. Paul, p. 196.

[2] For a consideration of the Syndicalists' goal from a National Guilds standpoint, see below, chapter ix., pp. 349-353.

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aim of so harassing the capitalists that the latter will at last withdraw from industry altogether. Industry will cease to be any longer profitable to them, for the fighting forces of the proletariat will take every possible opportunity and use every conceivable method to reduce profits to a minimum. For example, these fighting units will strike when trade is prosperous, instead of when it is languishing. The usual practice so far has been for Labour to wait till trade is bad and wages low before taking hostile action against the employers. But this is a mistaken policy. No employer minds a strike when trade is bad, as he then has little to lose by a stoppage of work, and can indeed effect economies in his wages bill. On the other hand, a strike when trade is brisk is a serious matter, since it interferes with the execution of profitable work. But at such a time Labour is in demand, and is little inclined to take aggressive action. The Industrial Unionists will change all this; they will aim at the capitalist in his tenderest spot—his profits—and so by constant attacks drive him out of industry.

These, then, are the two weapons of Industrial Unionist action: first, the substitution of proletarian fighting organisations for the present Trade Unions; secondly, the driving of the capitalists out of industry by making it unprofitable to them.

We are bound to say that both parts of this plan must in practice meet with failure. Where these methods have been adopted, consciously or unconsciously, neither has the Trade Union movement been galvanised into insurrectionary activity, nor have the capitalists been driven out of industry.

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On the contrary, instead of the proletariat's forces becoming united against the capitalists, they have tended rather to disunion. And the capitalists, instead of being driven out of industry, have combined so actively in the face of their common foes that they have made their own position more secure than ever.

This is not an unfortunate accident, but the inevitable result of the Industrial Unionists' methods. In the first place, what is to be expected from their appeal to the workers to disband their present Trade Unions and to organise in new fighting units? Clearly, that, while the consciously revolutionary Trade Unionists may agree to do this, the less class-conscious members will stand fast by the old associations. The original Trade Union, losing its leaven of conscious revolutionaries, will become more moderate and more reactionary than ever, and more hopelessly immersed in the wage-system. Indeed, the plan of the Industrial Unionists is wrong at the outset. Their propaganda is avowedly based on the discovery that the Trade Unionists of to-day have not an active will to revolution; and yet the proposal is made for them to combine in new revolutionary bodies—which presupposes this very non-existent will to revolution. Of course, the Industrial Unionists declare that the present form of Trade Unions explains why the workers' revolutionary aims are strangled. The Trade Unions, they point out, are clumsy, unadaptable and conservative; they have huge benefit funds, which they are chary of endangering by industrial aggression; they are led by industrial pacifists, and their morality is that

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of the wage-slave. For are they not primarily intended to improve the conditions of their members under the existing industrial system?

The fact is that, unfortunately, the Trade Unions are fairly exact images of their members. It is not simply the Trade Unions, it is the Trade Unionists themselves who are so often industrially servile and pacifist. Trade Unionists have the policy they deserve; and we have to take their Unions as we find them. As Mr. Chesterton implied in the phrase we quoted, the workers have not yet to any considerable extent become convinced of the need for revolutionary action. When they become revolutionary in resolve, they will certainly find the Trade Union a form of organisation sufficiently plastic to be turned to new and more aggressive activities. Meanwhile, if those Trade Unionists who are revolutionary draw away from the old Trade Unions into new bodies, two results are certain. In the first place, instead of banding the workers more closely together and reducing the number of Trade Unions, this propaganda has an exactly opposite effect. The new associations rise up beside the old, but not in their place; and they are usually overshadowed by the original Unions, instead of absorbing them. Thus, instead of less Unions, there are more![1] Secondly, the energetic revolutionaries, by organising a rival and alternative association, alienate the sympathies of their former fellow Unionists and lose the chance they previously had of converting them to revolutionary ideas.

[1] A very clear instance of this may be observed in the building trade, where the formation in 1914 of the "Building Workers' Industrial Union" merely resulted in the addition of one more to the sixty odd building Trade Unions already in existence.

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The clear duty of revolutionary Trade Unionists is to educate their Unions in the real function of Trade Unionism; not to cast them off, thus losing their support and their real, if not at present consciously revolutionary, strength into the bargain.[1]

The second part of the Industrial Unionists' programme—to make industry unprofitable to the capitalist—will be as unsuccessful as the first. Let us suppose that the miners should deliberately set about obtaining wage increases, lowering the output of the mines, and taking aggressive action at moments when it was particularly inconvenient and unprofitable to the owners. In a few cases they might succeed finally in making some of the small mines unprofitable to the owners. According to the Industrial Unionists' theory, these owners would then say, "Take over the mines yourselves!" Thus, with the voluntary relinquishment of the mines by the owners to the miners, Capitalism would be gradually driven out of industry and the co-operative commonwealth would dawn. More probably, however, the mine-owners in these cases would simply close the mines; but the workers would not therefore come into possession of them. The employers would not be reduced to destitution. Combined against the common enemy, the mine-owners would long before the end of the process

[1] Our criticism, while it applies particularly to those Industrial Unionists who have advocated the formation of entirely new bodies in direct competition with he established Unions, has some bearing also upon those who seek to organise workshop committees *in opposition* to "official" Trade Unionism and not rather as a stimulus to it. We believe thoroughly in workshop organisation, but we nold that it shonld develop as an essential form of Trade Union structure hitherto neglected, not as something antagonistic to it.

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have banded together for mutual defence against a direct threat.

The inevitable failure of the second part also of the Industrial Unionists' plan shows that the capitalists have really nothing to fear from it; indeed, by the fighting organisation which is forced on them by circumstances, they are actually able to strengthen their grip upon industry. Nor do the workers benefit; for industry is restricted, not liberated, by the capitalists as a result of the workers' attacks. And by the restriction of industry—in the case we have mentioned, the closing of the less profitable mines—society is deprived of the use of some of its natural resources.

The weakness of Industrial Unionism is that it is in too much of a hurry, and too impatient of the gradual evolution of the Trade Unions into responsible bodies of producers. It concentrates on the will to revolution, without sufficiently considering how the strength of the revolutionary alternative to Capitalism is to be built up. The Industrial Unionist is right to be impatient of the slave-morality of the modern Trade Unions, but wrong to despise their latent strength and potentialities. It is becoming increasingly obvious that the Trade Unions of to-day are to bear the burden of the industrial administration of to-morrow. Whether they will do this as the capitalists' wage-slaves or as associations of free men depends very largely on the activities of those Trade Unionists who are at present attracted by the proposals of the Industrial Unionists. If these men will turn their energy and their eloquence to the task of transforming the

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existing Trade Unions into National Guilds, we have no doubt of their success. If, on the other hand, they seek to draw off the best and the most brilliant of the younger Trade Unionists into a field whither the vast mass of the workers will not follow them, they will be unwittingly helping to deliver Labour helpless and disunited into the hands of its enemies.

We have seen that industrial, not Parliamentary, action is the path to the workers' freedom ; also, that this path leads through the perfection of the existing Trade Union organisation, and not through new and guerilla proletarian units. We now come to consider a method of transition which brings us upon the broad and beaten path of National Guilds theory.

The underlying argument of this plan is as follows : Industry consists of two indispensable parts, Labour and Capital. Labour is the sum of the human energy expended in economic production ; Capital comprises the instruments with which and upon which production is effected. Each part is necessary to the other, and useless by itself ; without instruments men cannot produce, nor is anything produced by instruments alone without human direction. These two parts being necessary each to the other, whoever controls one can, by withdrawing it from use, paralyse the other. But capital is effectively controlled and monopolised by the capitalist class, who therefore compel Labour to work for them at their own terms, as the alternative to not working at all. There is only one way for Labour to meet the monopoly of capital, and it is by making a monopoly of the other essential part in production, to wit, labour itself. Thus to the capitalists'

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monopoly of capital is to be opposed the workers' monopoly of their own labour. This is to be brought about by the development of the existing Trade Unions. When a Trade Union becomes so strong in the monopoly of its labour as not to fear the possibility of competition by non-Union workers ("blacklegs") under any circumstances—in the event, say, of a strike—that Union is said to be "blackleg-proof." Such Unions are bound to become recognised as indispensable parts of their particular industry. The next step is to amalgamate and federate the "blackleg-proof" Unions into a vast Trade Union army with a General Staff, Intelligence Departments, and proper lines of communication. The task of the General Staff will be to lay down the broad principles of action; the Intelligence Departments will watch every move of the organised capitalists, both on a large scale and in individual cases, and will show how to counter it; while the lines of communication will consist of financial and commissariat arrangements, to be worked in conjunction with the Co-operative Societies, to which unimpeded resource can be had in time of emergency. When all the Trade Unions of the workers in any industry—both wage-earners and salariat—become blackleg-proof and join forces sufficiently to make themselves one in industrial disputes, they are clearly strong enough to challenge the capitalists in that industry. The two monopolies are opposed—the capitalists' monopoly of capital, and the workers' monopoly of labour. But these monopolies are of unequal strength; the workers will now have the advantage. Clearly

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the workers are in a position to do either of two things: to offer partnership to the capitalists or to the community. In the first case they will join the capitalists in exploiting the community. If the second course is adopted, they will call upon the State to dispossess the private capitalists of the instruments and control of industry, and to leave its conduct in the hands of the workers. Partnership with the capitalists is unlikely, except as a temporary measure, first, because the workers are unlikely to permit this huge incubus to take toll of their labour; secondly, if there is any public spirit among the workers—and we have no reason to doubt its existence—they will hardly be willing to join the capitalists in a vast system of profiteering. The second alternative for the Trade Unions, when they achieve the monopoly of their labour in any industry, is to offer partnership to the State by means of that system of National Industrial Guilds which is the subject of this book.

This is the doctrine of the path to the Guilds, as set out in the editorial columns of the *New Age*, which first made the Guild ideas coherent, and in the book *National Guilds*, the contents of which were first published in the same periodical. That this method is an ideal approach to the Guilds is admitted on all sides, and in its broad outline it may be accepted by all Guildsmen.

It is, however, in the details of the process where we find disagreement among its advocates. We must remember that the struggle of the workers for self-government is an uphill fight. The workers are on the slope of a steeply inclined plane; not only

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have they the gigantic task of marshalling their forces and settling their internecine divisions and quarrels, but all the time the capitalists are vigorously attempting to push them still further down the slope into utter industrial servitude. The workers are like the fragments of a regiment rallying in the open under the hot fire of machine-guns. They are under fire the whole time, and those who try to rally them are targets both to the enemy and to malcontents in their own ranks. It is difficult enough for Labour to stand fast even where it is; what an enormous effort is needed to rouse it to an organised advance!

The struggle for the control of industry being as it is, a struggle in which all the weapons seem to be on the side of the capitalists, can the workers look forward to the fulfilment of any so subtle doctrine of attack? This is the doubt that suggests itself to critics of the foregoing doctrine of transition from Capitalism to the Guilds. The objectors agree whole-heartedly that the method laid down by the *New Age*—we shall, for convenience, call it the "academic" method—is a path to the Guilds. But, it is objected, is there any possibility of carrying out a method at once so direct and so logical in the face of the hostile and aggressive forces of capitalist reaction? Surely these hostile tendencies, hastening towards the Servile State, will break up the advance of Labour and force it into dangerous and difficult by-ways, if indeed they do not tumble it back headlong into disaster?

To this the academic school replies that Labour, besides organising its labour-power, must mobilise

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its intellect. The attacks of Capitalism, open or masked, must be exposed and guarded against. Labour must remain firm under temptation and united in danger; as long as it follows the straight —and strait—path towards the Guilds, its progress cannot be stopped. And the academics picture the immediate future of Trade Unionism somewhat as follows: As the strength of the Union increases, it is to be anticipated that the capitalists will make the workers various offers of partnership. The first offer will presumably be made to isolated fractions of the men, as individuals and not as members of their Union. This rejected by the Unions, the offer will be repeated, but now to the Union as a whole. But this too will be rejected, or accepted only as a temporary measure, without prejudice to the Unions' future action, since, by agreeing to a partnership with the capitalists, Labour would be conniving both at the continuation of the wage-system and at production for profit. But it is to be all or nothing for Labour—either all the responsibility for production, or none; there is to be no active alliance with the profiteers, nor any positive acceptance of the wage-system.

The immediate tactics suggested by the supporters of the academic plan are that the Unions, in order to escape the responsibility, even in part, for the wage-system and the profiteering which active association with the conduct of capitalist industry would force upon them, should exercise only a negative control, in the form of the veto. Every innovation initiated by the capitalists should be considered by Labour on its merits. If harmless,

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it should be allowed to pass unchallenged ; if harmful to their best interests, the Unions should veto it and calmly face the consequences. Thus Labour would neither lose its self-respect nor dull its aim by active, positive association with Capitalism. Meanwhile its forces would be growing stronger and more determined to achieve the emancipation they would one day effect by a few decisive strokes.[1]

The reader will see that several objections are to be made to the academic method of overthrowing the wage-system. The first is that too much reliance seems to be placed upon the conscious impulse of Labour towards revolution. We may seriously doubt if Labour is prepared to play as long and as deep a waiting game as the academic method implies. This strategy makes an obvious appeal to the intellect, but the path is so strait and the way so hard that one fears whether Labour's broad coaches will be able to pass along it. It implies, to nearly the same extent as "Industrial Unionism," an absolutely clear-sighted class-consciousness on the part of Labour, and joins to this the need of incredible resolve and self-control. If we take all these qualities for granted in the workers, are we not assuming that the revolutionary change of mind which Mr. Chesterton spoke of has taken place among them? But this, alas, is far from being the case. Yet, even if Labour were far more resolute than it is, and far more prepared to concentrate and mobilise its forces, we must not overlook the fact that there are serious objections in principle to the

[1] See the *New Age*, 1917, vol. xxi., Nos. 1, 2, 3; "Towards National Guilds."

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academic plan of campaign. Not the least is its insistence upon negative action. This is fatal; for it does not enlarge Labour's faculties, but limits them to a single, narrow plan of action. Such a method may be very well for the leaders, but it will not increase either the morale or the initiative of the rank and file.

We have seen that the Parliamentary and the Industrial Unionist paths to emancipation are for all practical purposes hopeless at the outset. The academic method of economic action also seems to need a degree of resolve, self-control, and wisdom that Labour has not yet attained, nor is likely to attain in the near future.

It must not, moreover, be forgotten that Labour will need much coaxing before it enters upon its true destiny. For the practical purposes of Labour there is the need for another course, less picturesque perhaps, but not less inspiring. We propose to consider it as a path to the Guilds which may succeed where the academic method is likely to prove impracticable.

This policy, which we cannot do more than indicate in broad outline, is in the strict sense a path to the Guilds; a path, it may be, with many milestones, but these will serve at least to mark the way. If Labour sets out to find a tempting short cut across country to emancipation—country, moreover, which is in the occupation of its enemies—or waits for the prospect of some unforeseen lift along the road to freedom, then Labour's anxiety to reach its journey's end quickly may well result in its never

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reaching it at all. It is true that in some societies the worker is born free, in others he must achieve freedom, while in a third he may conceivably have freedom thrust upon him. But in a Britain under the dominion of a wage-slave morality the third alternative is only less impossible than the first. It is only in the building of the Guilds that we shall get the Guildsman, for the Guildsman (unlike the poet) is made, not born—though, in their making, he will be born again. The appetite for industrial democracy will grow by what it feeds on, and "a taste of control will engender a taste for control."[1]

The keynote, then, of the worker's struggle towards the Guild must be the maxim of "Encroaching Control." We have seen in a previous chapter what ambitious and far-reaching changes this must involve in the principles, the structure, and the policy of present-day Trade Unionism, and we shall see in a future one how difficult are the problems which the application of this maxim may raise. We will say nothing further here of the enormous task of Labour organisation which is involved; though, in our search for a policy, we must never forget how much has still to be done in this respect before there is much prospect of entering upon a spirited policy successfully, even when Labour has adopted one. It is true, of course, as we have already seen, that structure and policy go hand in hand and that each is conditioned by the other.

[1] See Mr. Cole's chapter on "The Abolition of the Wage-system" in *Self-government in Industry*. Without endorsing everything which he says there, we strongly recommend it to the attention of our readers as the most convincing and closely reasoned outline of Guild policy for the workers that has appeared.

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There is no doubt that a clear understanding of the goal will help the workers enormously in the perfection of the means by which that goal is to be attained. That goal, we may remind our readers, is the control of production by self-governing Guilds of workers, sharing with the State the control of the product of their labour. The capitalist's industrial autocracy must be destroyed by the invasion of the workers themselves, organising their conquests on the opposing principle of industrial democracy; his economic sovereignty must be shared between the Guilds (with whom will lie initiative in the economic no less than in the purely industrial sphere) and the State (which stands by as guardian of communal interests that might otherwise be lost sight of).

The goal thus clearly defined, it remains to decide how we may most surely attain it. Is Labour to assault the outworks of industrial control by seeking to capture from the capitalist one sphere of production after another, or is it rather to fling itself boldly and at once upon his citadel of economic power?

There is no doubt that it is from his economic dominion that the capitalist derives his main strength, and that it is this which enables him to extract rent, interest, and profits and to lord it over a satrapy of wage-slaves. But it does not follow that it is best for Labour to attack him first at his strongest point.

It may be true that the wage-system can be destroyed only by a frontal attack upon the economic power of Capitalism in the spheres of commerce and finance; but it is no less clear that the way to such an attack lies over the front line of Capitalism—the control of production.[1]

[1] *Self-government in Industry*, p. 183.

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Let, then, the Industrial Unions of the future, through their shop committees, extend their authority over one aspect after another of workshop control; let them secure that no regulations are made for the running of the workshop or the discipline of the workers save such as these committees themselves sanction, and that no foreman enters the shop save with the approval of the committee—such passive approval to be transformed at the earliest possible moment into active election by the workers themselves, so that the shop steward becomes an officer not of the Union only, but of the industry; let these claims be extended from the workshop to the works itself, and the works' manager brought into co-operation with the Union, instead of remaining merely a nominee and representative of the profiteer. Moreover, let the Collective Contract become increasingly recognised as the only terms on which the workers will consent to sell their labour, so that the responsibility for performing a job is undertaken by the Union, and the price paid for it arranged for and the money distributed by the Union to its members in accordance with conditions democratically laid down. Let these aims become the immediate programme of the workers and, though the economic power of Capitalism may remain to all appearances undiminished, the employer will none the less have sustained a grave defeat. As his functions pass from him one by one to the workers whom he exploits, his fundamental character as a profiteer will become ever more glaringly obvious. To the cynical outburst of their masters that "they are not in business for their health," let

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the workers reply that it is essentially for their health and the health of society that *they* are in industry, and that to the claims of health the disease of Capitalism must give way. As the Unions encroach upon those activities of the capitalist which, though they are incidental to his purpose, are of some real social value, nothing will remain to mask the truth that he is in business not for his health, but for his wealth. The control of production by the workers will leave the profiteer his profits for the moment, but it will fatally impair what is even more essential to his power—his prestige!

Thus the encroaching control of the worker over the sphere of production will atrophy the power of Capitalism in proportion as it expels his authority. Moreover, it will provide a sure foundation for the Guilds, which can be fully established only when the money lord is driven from his economic castle. Even though democratic sentiment or popular indignation induced the State to attack the capitalist's economic power and wrest from him his control of the product, it would be difficult to call into being a system of National Guilds that had not been already prepared for by the workers themselves through the advance of their Industrial Unions to the control of every circumstance of their working lives. But we need not labour the point. Not only is industrial democracy in the workshop and the works essential to the Guild idea, but not until this is achieved is the capitalist in much danger of losing his grip upon the economic machine. The State may, it is true, regulate the operations of Capitalism and

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make claims upon it, but the "State control" of Capitalism is more than balanced by the capitalist control of the State. Even in war-time the interests of the public have not induced the State to imperil the interest of the shareholder; the War Office could not do more than grumble when a powerful contractor suddenly discovered that a "reasonable" percentage would be necessary for services originally offered freely in the name of patriotism. "Money talks"; when it will have its say, even the State has got to listen. Just as money in the hands of a capitalist class of merchants wrecked the old Guilds, so it may frustrate the new. Labour, when it has successfully challenged the employer in the workshop, must confront him in the counting-house. Democratic control at one end and "State control" at the other still leave the capitalist the control of the product. He determines the conditions of its sale; he purchases the raw material (including the labour) which is necessary for its production; and he decides by investment into what industries fresh capital shall flow. The State, even though it wished to strip these functions from him altogether in the name of the community, would be likely to retire baffled from the attempt, save on one condition. This condition is that it acts in concert with an aggressive Labour movement, determined to rid society of a usurper whose claims it has already exposed.

The capitalist can, in the last resort, only be driven out of his tyranny over society by a conscious will and an economic power stronger than his own. To-day the will of his adversaries is weak, hesitating, and confused; it makes itself heard only by feeble

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stammers in Parliament, occasional grumbles from public opinion, and in the vague and strangled protests of a Labour movement which has yet to make up its mind. Similarly, the economic power by which Capitalism must be supplanted, vast though it be in potentiality, is dissipated and disorganised, capable certainly of inflicting injury on the capitalist, but not capable of dislodging him. But let that will and that power be concentrated on winning the control of production and there is small reason to think that it will be content to stop there, with the half of its task (and that the most vital) still to be accomplished. The State will find itself no longer confronted by two powers and wills, of which the one is alert, active, and positive, and the other passive and diffident. It will be the witness of a conflict between two powers, one tenacious and formidable, no doubt, but on its defence and gravely menaced by the other, confident and inspired by the consciousness that its cause is the cause of health against wealth and the truth of free service against the corrupt falsehoods of servitude and gain.

In stressing for a moment the incalculable forces of truth and will, we do not lose sight of the fact that Labour will be fighting also with material weapons. As Mr. Cole shows in the chapter to which we have alluded, these may be three: industrial, political, and catastrophic action; yet behind them all is the force of economic power. An Industrial Union in command of production is not only unlikely to remain content to leave the business of purchase and sale to the employers; it would find this almost impossible. If its authority over the works is to be

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in any way complete, it will be driven on to concern itself with these matters more and more. There is no logical reason why it should not, and every reason why it should. By this time, however, the industrial authority and influence of Labour will be such as to give its political influence economic weight. The State will find that its permanent hypothesis of the passivity of Labour no longer works; it may even welcome the co-operation of an active force strong enough to allow it to advance against plutocracy in the interests of society, which its impotence—even more, perhaps, than its corruption—has forced it to neglect so long. The State and the Industrial Unions may between them force the capitalist to abandon, one after another, his functions as a merchant,[1] as the Unions will have already forced him to abandon them as a producer, leaving him only his manœuvres as a money lord in the field of investment and finance. At this point, Mr. Cole thinks, catastrophic action will alone suffice to win the final victory, since the capitalist is not likely to be so foolish as to allow the atrophy of his most essential functions by their assumption by the State through the nationalisation of banking and finance. The profiteer is never likely to surrender the administration of his spoils, if only because it is a job he thoroughly understands and, as a rule, enjoys.

If, indeed, the great capitalists were to blunder by

[1] For a consideration of how far Guildsmen shall welcome the assumption by the State of the functions of purchase and sale which must eventually pass over to the Guilds, see *Self-government in Industry*, pp. 180, 187, 188, and *Guild Principles in War and Peace*, by S. G. Hobson, pp. 128–136. See below, pp. 367–373.

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adopting complete State control in their own interests, and so allowing their own class to be atrophied, catastrophe might be avoided, and triumph could certainly be made easier. We cannot, however, afford to count on capitalist blunders, even if we think them possible. The idle rich class is not dangerous; the busy rich class emphatically is.[1]

Emphatically; we cannot for a moment base our calculations on the chance of the "busy rich" letting go of either their business or their riches. If it is by catastrophe and force that they can alone be dispossessed, then that catastrophe must be faced and that force prepared. We are not industrial pacifists; we do not believe that the mere possession of power gives to Capitalism any right to prolong a dominion which the nation no longer desires and which the workers are ready to replace. But we think that Mr. Cole has omitted one factor which, though it may be in the strict sense incalculable, is not therefore to be left out of our calculations. This factor is difficult to define, though it is not difficult to apprehend; we may call it a developed public opinion, or (more sentimentally) a change of heart, or, simply, goodwill. We are convinced of the futility of "goodwill," if it be urged as a substitute for will; we are aware that a "change of heart" will not achieve anything, unless it is accompanied by a change of purpose and a change of mind. We are not under the delusion that "public opinion" can attain anything which the workers themselves are not prepared to struggle for. But if goodwill follows upon will, then it may make the attainment of that will

[1] *Self-government in Industry*, p. 190.

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infinitely easier. To-day the assault upon Capitalism is "against the grain" of society because it is Capitalism to which the nation's will is surrendered, however reluctantly. But, as Labour stirs to nobler purposes and confronts the claim of Capitalism with a claim of its own to the functions which Capitalism so imperfectly fulfils, we may expect to see subtracted from Capitalism much of the opinion and influence which now passively support it, apparently *faute de mieux*. We may expect, too, the allegiance of many who are to-day functionaries of Capitalism to pass over willingly to the cause of Labour when the Industrial Union is seen to be the champion of the true interests of the industry as against the mere machinery of profit. The policy of "Encroaching Control" may prove valuable not merely in undermining the power of the adversaries of Labour, but in subtracting from their power those who now belong to them for want of any obvious alternative. A taste of democratic control will not only give a taste for control to the workers; it will also open up a vision of Guild control to the officials whom Capitalism exploits, and to the public whom it so basely disserves.

"*A taste of control gives a taste for control*"—this is the key to the whole plan we have just set out. The employer will at the outset be to a certain extent disarmed, since the effect of this policy is to save him the trouble of arranging the disciplinary details of his works. If he does make a stand against it, he finds himself opposed at once by a solid and integral section of the workers. But it will be a bold employer who tries to beard a workshop committee

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in its native workshop! The movement towards control will go higher, step by step, never losing ground, and always, like a snowball, gathering weight as it goes, until at last the whole industry is swept clean of profiteering. The capitalists will have their industrial functions stripped from them until they become no better than parasites upon industry—to be knocked off at last as easily, it may be, as a rotten apple from its bough.

The main difference between this and the academic method is, of course, that for immediate purposes it seems to accept the wage-system, and, as it were, to temporise with it. We may be permitted to doubt whether this is really such a moral crime as its opponents suggest. If the workers were deliberately helping to introduce the wage-system into industries innocent of it, with the idea of afterwards emancipating them, we should certainly deny that the experience was worth the risk. But, since Labour finds itself already horribly entangled in the wage-system, it may perhaps not fear to temporise with it in its progress towards emancipation. There is, of course, the constant danger that the Trade Unions will come to look upon improvements inside the wage-system as the end and aim of their organisation. Unfortunately this is their present outlook; a taste of control is certain to flutter this obsession, not to settle it more deeply.

This chapter has so far been devoted to a consideration and a comparison of the means of approach from wage-slavery to National Guilds. We may now turn to the actual "moment of transition"—that is to say, to those final and decisive means

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which are to be employed to throw off the old system and bring in the new.

Needless to say, it is quite impossible to take up any very definite attitude on this point. Everything depends on the relative positions of Labour and the capitalists at that time, on the condition of society, on the state of industry, and, above all, on the methods adopted by Labour to bring about this fundamental change in the conduct of industry. If the method of Parliamentary action alone be used, the logical end—which would, we think, never come about in practice—is a Parliamentary declaration that such or such is to be the manner in which industry must in future be conducted, and all the powers of the State would be exercised to give effect to this declaration. If the Industrial Unionists' dream could be realised, there would be a proletarian insurrection to dispossess the capitalists and place the control of industry in the hands of the workers.

We have seen, however, that industrial action by the Trade Unions is the only method that is likely to be successful in carrying Labour to emancipation. We have, therefore, to consider how this plan of campaign can be brought to a triumphant conclusion.

The plan outlined in *National Guilds* appears to end in a treaty between Labour, the capitalists, and the State. The Industrial Unions, united and blackleg-proof, will approach the capitalists with an offer of joint partnership in the profits, as a preliminary to a full expropriation under threat of an immediate strike; by thorough organisation and

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an understanding with the Co-operative Wholesale Society they will be completely prepared for the strike.[1] The State will then be obliged willy-nilly to recognise the embryo Guilds as national bodies.

[1] See *National Guilds*, Part II., chapter xiv. It is interesting to compare with this the following passage in "A Catechism of National Guilds," reprinted by the National Guilds League from the *New Age*:

"As soon as a Union is practically blackleg-proof, the capitalists of the industry will approach its leaders with offers of profit-sharing and co-partnership, in two successive forms.

"What are these two forms?

"The first form is profit-sharing and co-partnership with the men, not collectively as a Union, but individually.

"Is there any objection to this form?

"Yes; for every man so singled out is spiritually transferred from the side of Labour to the side of Capital. His concern is no longer to abolish the wage-system for himself, his fellows, and the nation at large, but to obtain all the profit he can extract from it.

"What is the probable second form of the capitalists' offer?

"The second form will be offered, as a rule, only when the first form has been rejected by the men. The capitalists will offer partnership to the Union as a Union.

"Are there any objections to this form?

"There are several. (1) The Union would remain a Union of wage-earners; the wage-system, with its accompaniment of rent, interest, and profits, would continue in a new form. The only change would be that the workers, while remaining wage-earners, would become at the same time profiteers. (2) Relations between the Union, the salariat, and the capitalists would be unstable, since in the actual management of the same industry there cannot be two masters, and each of the parties would be constantly trying to wrest control from the other. (3) Finally, if they combined, the greatest objection of all would arise.

"What is that?

"Together they would form a trust, including the monopoly of capital with the monopoly of labour, by means of which they would exploit society without check.

"What could be done to prevent the formation of such an anti-national trust?

"While the Trade Unions were winning to their emancipation, if the intelligent public were with them, the public might at this point substitute itself for the capitalists, using as its organ the State.

"What motive could the public have for doing this?

"The public would recognise that the national interest lay, not with the profiteers, but with the Trade Unions in their struggle for emancipation.

"What steps could the State take for this purpose?

"Its first steps should be to 'buy out' the capitalists of an industry by offering them a reasonable sum, or, better, by guaranteeing them an income for a period of years. Its next step should be, while retaining ownership of the capital so acquired, to lease it to the Union (now become a Guild by the inclusion of the salariat) to carry on the industry on terms mutually fair and favourable.

"What, generally, would such terms be?

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But suppose the capitalists refuse to abdicate, and cast diplomacy to the winds; what happens then? If the State is allied with Labour, this is not a very terrible matter. The capitalists must either sell out or get out. Unfortunately circumstances may be such as to induce the State to look for an alliance with the capitalists for the defeat of Labour. In this case Labour will be forced to rely on its own strength and its own weapons. What will these be?

When all is said, Labour must rely always on its two great weapons—the strike and public opinion. If the State is hostile when Labour offers partnership to it at the expense of the capitalists, Labour must simply refuse to work on any other terms than its own, until the State changes its mind. The capitalists, pulling the strings of the State, will have two weapons to oppose to Labour—forced labour and, secondly, force of arms. The capitalists may induce the State after the War to adopt some sort of military organisation which will empower it to call up the workers *as soldiers* to break their own strike. This plan, however, is hardly likely to be effected behind the backs of the Trade Unions, and certainly they will not permit such a step to be taken openly.

Far more probable is it that the Regular Army will be thrown against the strikers. It may be objected that no Army, however strong, can force men to

"In return for its national monopoly of the industry and for its internal self-government, the Guild would undertake the responsibility for producing the commodities required for it of good quality, in the necessary quantity, and at a fair price. It would also undertake to provide its due share of the national revenue by paying a tax, or quasi-rent, in accordance with its net income, to the State as owner."

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work against their wills. But if violence results, the workers may be stampeded back to work. It is difficult to see how violence can be avoided if the capitalists are determined to provoke it. The work of *agents-provocateurs* may be nullified by strict Trade Union instructions to the workers to maintain order. But how will the strikers obtain food? Markets may be closed and the purchases of the strikers commandeered by the Army until the end of the staike. Even if the strike is undertaken after a complete understanding with the Co-operative movement, and even if we admit the possibility of the strikers doing a certain amount of commandeering on their own account, the result of a conflict so provoked might prove disastrous to Labour.

Labour's final weapon against armed violence is the force of public opinion. A reactionary Cabinet, a corrupt, irresponsible Parliament—these might sanction the use of the Army by the capitalists against Labour. But is it credible that a public, itself consisting (as journalists so often forget) largely of industrial workers, if it were clearly informed of the aims and ideals of the Trade Unions, would allow the powers of the State to be abused in this manner by the " old régime " in industry? We do not think society will permit the deliberate provocation of civil disorder, even if by provoking it the capitalists are able to prolong their term of authority by a few years.

We do not anticipate; however, an outlook quite as desperate as this. The nationalisation of certain industries—in itself, of course, no remedy for the

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wage-system[1]—may serve somewhat to modify the shock of the abolition of the system. It would perhaps blunt one of the capitalists' present weapons; this is the power to reply by a general lock-out to any strike in one industry which is likely to be successful. This manœuvre, which forces Labour to fight all along the line instead of concentrating at one point, was very successful in Sweden in 1909.[2] But Labour stands a far greater chance of success by vigorous action in one industry or one group of industries than in dispersing its energy in larger fields. It is, indeed, probable that a National Guild will come about at first in one or two professions or industries—medicine, mining, or railway transport—and the example be followed in others. But this time alone will show.

There is one last point to be considered. We have denied the existence of any desire among the workers for a political revolution. But there is just the possibility that such a disaster may be forced upon this country. Mr. Sidney Webb recently said that any reduction in wages after the War would lead to a revolution. This may or may not be true; in any case, why should profiteers risk the dangers of reducing wages when prices can be raised in and out of proportion to the rise in wages? Suppose, however, that the employers, in pursuit of their ideal of industrial servitude, were to succeed in having laws passed—or repealed—which would make

[1] For a full discussion of Nationalisation and the problem of Expropriation, see chapter ix., pp. 373–382.

[2] Cf. *The World of Labour*, 3rd ed., pp. 183–204, for an authoritative treatment of the whole subject of the General Strike and General Lock-out.

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the funds of the Trade Unions a security for the good behaviour of their members; and suppose that the funds of any Union were actually seized; what would be the effect upon Labour? There can be no doubt that there would be such a wave of popular anger as has never been known in recent times in this country. A political revolution, which is at present unlikely, would then be dangerously probable. If a Government could be found so ill-informed or so careless of results as to take such a step, it would be a miracle that would avert a revolution. If this miracle occurred, another similar act would certainly precipitate an insurrection. We do not look forward to any such event, but the folly of reactionaries passes all bounds. There are many people in the country at this moment who would, if they could, brutally and openly endeavour to crush the workers' Trade Unions. If any mischance should set lunatics like these in authority, the catastrophe we have suggested might well come to pass.

We are not concerned in this book with the lines along which such a revolution would be likely to move, but only with its probable effects upon industry. A period of revolution would bring all sorts of grievances to the surface; it would enormously precipitate action in the industrial sphere, and might—indeed, almost certainly would—overthrow the last vestige of the capitalists' *moral* authority. If the revolution were successful, National Guilds would be the only likely alternative to industrial anarchy; if the revolution failed absolutely, the industrial result must be the suppression

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of the Trade Unions as active and autonomous bodies, and, in consequence, the definite establishment of industrial slavery. Thus the revolution only precipitates the choice that is before society to-day. Let us decide in the calm of civil peace rather than in the agonies of civil war that we prefer liberty to slavery—National Guilds to the Servile State!

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CHAPTER VIII

NATIONAL GUILDS IN BEING

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Apology for the chapter-heading. "National Guilds": justification of the term. Truth and value of the analogy with mediaeval Guilds. The spirit of the Guilds. And of the Guildsmen.

The Guilds from within. Entrance to the Guilds. The question of expulsion. The Guildsmen's pay. The basis of remuneration; the wrong way and the right way. Equality of pay as between *Guilds*, but not necessarily as between *Guildsmen*. Self-government in the Guild. Election and ratification of officials. Craft representation. Vigilance Committees as a safeguard against "politicals" in industry.

The structure of the Guilds. Provision for local autonomy and initiative essential. Inter-Guild relations. The Guild Congress: its functions of arbitration. The case of the recalcitrant Guild. The Guild Congress and the State. The Joint Committee and its functions: (1) in relation to foreign trade; (2) as regards the provision of fresh capital; (3) in determining taxation. The fixing of prices and the rôle of the consumer. The Distributive Guild. Its function as the successor of Co-operation. Its relation to foreign imports.

The individual Guildsman: his standpoint essential throughout. Individual producers (1) outside Guild organisation; (2) as Licentiates of the Guild.

A final point. And a note upon the Judiciary.

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VIII

NATIONAL GUILDS IN BEING

We intend in this chapter to sketch the outline of National Guilds as they are likely to be. Purist readers, however, may take exception to our appearing to treat of National Guilds as if they were bodies already in existence; we may be told that every one of our sentences should be moulded in the conditional mood—that "would" and "should" should take the places of "is" and "will be." The objection is justified; but we hope that we shall be allowed, for our readers' sake no less than our own, to dispense with cumbrous pedantfcisms and (always, of course, with a mental reservation) to speak of National Guilds, when necessary, in this chapter as if they really were "in being."

Before we go on to outline their organisation, we may deal with objections that have been made to their title. It is said to be meaningless or, at best, misleading. It is meaningless, we are told, because the words "National Guilds" present no clear image of the industrial structure they represent; and it is misleading, because the only Guilds known to history are mediaeval associations, of masters as a rule, situated within the limits of a city. In spite of these objections, we may doubt if the title can be bettered. Many industrial organisations, indeed, are known by names only broadly descriptive of

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them. For example, no one ignorant of the nature of a "Trade Union" would be helped to realise its present form by the name alone. A "Trust," again, hardly lives up to its name on close acquaintance. We cannot hope to find a word or a couple of words which will sum up a complete industrial organisation; nevertheless, we deny that the word "Guild" is inaccurate. If those who object to it were more familiar with the mediaeval Guilds, they would no doubt see the huge generic resemblances between them and National Guilds. It is true that a mediaeval Guild was confined to a city; but so also was mediaeval industry. By the growth of communication, industry is now no longer bounded by city walls, but organised on a national scale; the Guilds, therefore, must also be national and not limited to a city. Yet in many and by far the most important respects the Guild idea remains constant in National Guilds. The title of *Guild* has implicit in it several unique industrial attributes: it means that public recognition is accorded to the body, that the monopoly of its particular trade is vested in it, that all its members have an equal and free status as associates in it; also, that the Guild spirit in work is revived.

The first of these conditions is really a measure of reciprocity; the State acknowledges the functions of the Guilds, because the Guilds acknowledge the functions of the State. Neither of the parties to this social partnership can claim absolute sovereignty or enforce subjection, and the independence of each will be limited only by their interdependence. The demarcation of these functions and the division of authority, ultimate and immediate, we must

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defer for a space; it is sufficient to emphasise here the social significance of the Guild's statutory position.

We come to the second characteristic of a Guild—monopoly. This has an evil sound, but only when it can be abused for the private advantage of the monopolist over the rest of the community. This consideration, however, applies only to industrial structures in which profiteering has a part. The necessity to each National Guild of complete monopoly in the working of its particular trade is obvious enough, for purposes of control, discipline, and security against outside interference. The leaven of competition within the Guild is not affected by the prevention of competition with the Guild from outside. Nor does this monopoly forbid the activities of the individual craftsman, who may, as a Licentiate of the Guild, own his own workshop and supply his goods to the public, subject to the conditions of his arrangement with the Guild. Monopoly in the Guild sense is rather autonomy; its most important implication is the right of each National Guild to govern itself.

It is hardly necessary to emphasise the third point, that all members of a Guild would, as Guildsmen, have the same status. Position and privileges would be accorded to Guildsmen according to their abilities; but there would be no servile class, like the wage-earners under Capitalism, whose only duty in industry is to supply another class with labour. Every Guildsman alike would receive remuneration and privileges as a Guildsman, and he would be entitled to these in all seasons and under all

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circumstances. The profound difference in this respect between National Guilds and the capitalists' wage-system is evident. The notion now disappears that the wage-earner is a "hand," to be engaged when work is plentiful and dismissed when it is slack; to be paid when he is well and working, but to be thrown on the dustheap of charity when he is without work or ill. Labour ceases to be regarded as a commodity, the market price of which, called "wages," is reckoned as merely one of the costs of production; Labour in the Guilds would be recognised as the human element in industry, and, therefore, as unmarketable and unpriceable. As a Guildsman, every worker has the right to share in the government and control of his Guild, nor would any Guildsman have authority over others except in those matters of working and discipline that require the election of such leaders. National Guilds would be democratic and fraternal bodies.

The Guild spirit in work would be revived. Every Guildsman, having once been entered in his Guild, would be entitled to its privileges; and while he is thus materially secured, he would be no less spiritually at an advantage over the worker under Capitalism. The wage-earner is working, as he knows, primarily for the profit of his employers; the Guildsman knows that his Guild, whereof he is an active and responsible member, is a body engaged in the public service. He is working for the community, as a member of a Guild which he and his fellow Guildsmen control—not for the capitalists, nor under the external control of a political authority and its bureaucratic officers. With this knowledge and

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under Guild conditions of freedom and security, the worker would find in National Guilds a happy release from the horrors of Capitalism and its wage-system. Industry and production mean more to the world than they do under Capitalism. The old Guildsmen looked on their trades in another spirit; they saw that society needed the things which they produced, and that they owed it the duty and themselves the joy of making these things in the best possible manner. The work was often a drudgery, but it was a drudgery which Guildsmen were content to do and proud to do well. If a thing is worth making at all, says the Guildsman, it is worth making well; this is the spirit in which Guild work is done. The worker who can take pride and joy in his work sees a new importance in his trade; for he knows that he is worthily fulfilling a social need. Thus the National Guildsman would find a new dignity in the work; the consumer of Guild products would know that he is assured of good work and quality in all he uses; and the community that entrusts its industry to National Guilds will find itself possessed of a new race of citizens, looking upon the world with other eyes than those of greed alone. Indeed, the Guild idea, if not the Guild organisation, is, as we have seen, already implicit in several professions, where the interests of society and the responsibility of the service are put above the thought of gain. When we regard the Churches, Medicine, and the Army, we see bodies in which the thought of personal gain is, as a rule, subordinate to better aims. There is no reason whatever why Industry should not take its place beside these others as a public service. The

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advantage of the community and the upholding of craftsmanship would then be regarded as the main purposes of its existence; while the fear of the workers for their livelihood, and their employers' greed for personal gain—the characteristics of Capitalism—would be removed by the provision of industrial self-government, equal status, and secure remuneration.

We must never forget when we speak of National Guilds in being, first, that the Guildsmen would be the men and the sons of the men who had fought and won their battle from wage-slavery to industrial democracy; secondly, that they would be enabled to look upon their work, its purposes and its conditions, with a nobler outlook than any we know of in industry to-day. Only if we bear these two facts well in mind can we hope to examine the organisation of the National Guilds with sympathy and understanding. It is not our purpose in this chapter to attempt to lay down hard-and-fast rules for the Guilds of the future; the most that can be done at this stage of Guild propaganda is to sketch, as well as past and present indications allow, the limits within which a stable Guild constitution must lie. To this attempt we now turn.

We have already pictured a National Guild from the outside. It is, we saw, a democratic and self-governing association, consisting of all the workers of all grades engaged in any given industry and carrying on that industry in conjunction with the State. Applying this idea to the great industries of the nation—mining, land and marine transport,

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engineering, textiles, building, and the rest—and to the professions, such as medicine, law, education, and the Civil Service, we can easily envisage the sort of Guild structures that will arise. Each Guild will be organised on a national scale; the supreme Guild authority will be the Guild Congress, upon which all the National Guilds will be represented. But the working of the Guilds will depend not so much on their national organisation as on their decentralisation. The Guild starts in the workshop and finishes in the Guild Congress, not *vice versa*! Thus there will be Local, and also District, Guild Councils, upon which representatives of the various Guilds will meet, and which, by reason of their close contact with local industry, will tend to be the recognised centres of Guild life and authority. Each separate Guild will build up its organisation, storey by storey, from the local branch to the national authority; later on we shall see how this may best be done without swamping the Guild spirit in the whirlpool of the large organisation. But if we stay too long to look at the Guild structure from the outside, we shall not get much further on the path towards attaining it. We must seek rather to examine the Guilds from the inside, from the point of view of the Guildsman himself. He, after all, is the man who will make them, and for the good of whom and whose work they are to be made.

We shall, then, start our sketch of the National Guilds *from inside* with the first question of all that affect the Guildsman, namely, entrance to the Guild.[1]

[1] Some years ago a group of National Guildsmen drew up privately a *Syllabus* upon matters of Guild propaganda. It dealt largely with the organisation of the Guilds and their relations with each other and

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Entrance to the Industrial Guild will not presuppose any qualifying examination. Each man will be free to choose his Guild, and actual entrance will depend on the demand for labour. In fact, the principle will be that of first come, first served. In the event of there being no vacancy, it will be open for the applicant either to apply for entrance to another Guild, or during his period of waiting to take up some occupation of a temporary character. He will then secure the option of entering the Guild of his choice when a vacancy occurs.

To the occupations requiring technical knowledge there will be a double system of entry. One way will be by apprenticeship in the Technical Colleges, followed by a qualifying examination for entrance to the craft; but it will also be open for any working member of the Guild who passes the qualifying examination to enter any craft without apprenticeship, and so, whatever his method of entry to the Guild, to rise to any position in it.

Labour in "dirty industries"—scavenging, etc.—will probably be in the main of a temporary character, and will be undertaken by those who are for the time unable to obtain an entry elsewhere.[1]

The question of expulsion from the National Guild arises naturally at this point. It is clear that the right to expel an undesirable member must be reserved to the Guild, but it is obvious also that this right must be most carefully regulated. There is the danger to be guarded against, on the one hand, that a Guildsman might be liable to expulsion at the will of the Guild officials. But this is incompatible with the Guild ideas, since it might easily

with the community. This *Syllabus* has never been published, nor was it intended for publication; but the authors of this book have consulted it throughout the present chapter, and, as will be seen, often quoted it verbatim. They wish to notify their debt to the authors of the *Syllabus*, and to congratulate them on the fact that so few of its conclusions have been rejected by later Guild writings.

[1] From the *Syllabus* (see preceding note).

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degenerate into an intolerable tyranny, similar to that now exercised by the employer over "his hands." It is clear that an unsatisfactory Guildsman ought to be judged, in the first instance, by the men who are working beside him; this alone, however, will not be enough to justify expulsion. A man might become disagreeable to his associates for many reasons which would not, however, dishabilitate him as a Guildsman; in such cases there would have to be machinery for offering the man a transfer into a branch of the Guild in another district. The extreme step, however, of expulsion is far too serious to be settled off-hand by any one section of the Guild, and it must not be resorted to without the definite decision of the Guild as a whole. For this purpose courts might be established to try the offenders; but no step as drastic as the expulsion of a member should be undertaken unless there is an overwhelming majority in its favour. Among the causes rendering a Guildsman liable to expulsion would be the deliberate lowering of Guild standards, breaches of Guild discipline, or conduct that reflected adversely on the Guild as a whole. (This would correspond with the "infamous conduct" for which nowadays a doctor or a lawyer may be struck off the register of his profession. The Guilds, however, would probably narrow their interpretation of this phrase to exclude some of the social offences which are repugnant to the somewhat snobbish dictates of the professional mind of to-day; but doubtless the leniency of the Guilds to the Guildsman in this respect would be balanced by greater strictness about offences committed by him as a worker.)

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We may turn now to the question of the Guildsman's remuneration. Is the Guildsman to be paid according to what he does, or according to what he needs, or according to the position he occupies?

The first alternative is out of the question. In its crude industrial form, "payment by results" brings with it all the abominations of systematic speeding-up, and of the scamped and bad work that are especially the faults of industry under the wage-system. Such a system, based on the output of the worker, tends sooner or later to ignore both the quality of his work and the conditions under which he produces it. Even if an attempt is made to consider also the quality as well as the quantity of the output, the position is little bettered. We must hope to appeal to something better in the worker as an incentive than the interest of personal profit alone. It might seem at first sight as if the second alternative, to pay the Guildsman according to his needs, were the right one. The arguments in its favour are obvious and plausible. The first difficulty arises when we come to consider what a Guildsman's needs really are. Clothing and a bed he clearly needs; but only the wise men of Gotham know if he *needs* an umbrella and an eiderdown. If we are going to decide what the worker really needs and what is not absolutely necessary for him, we shall be perpetuating a most sinister aspect of the tyranny of the large employer to-day. He says that his workmen need this, that, and the other—and includes even a certain proportion of recreation and cheap luxury in the list—but he does not desire the workers to make the choice for themselves. He

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is aided in this attempt to issue rations of life to them by the general tendency of public action to-day. It is everywhere agreed that wage-earners must be allowed a certain standard of comfort, calculated to keep them in working order and their children after them. Thus there are public regulations for the housing of the wage-earners and their families, for their schooling, their employment, their holiday-making, their drinking, their healing, their being born, and their dying—indeed, for the whole of their unhappy existence. By virtue of these public restrictions and allowances, it is possible for the wage-earner in normal times to live in a certain standard fashion. The injustice of the arrangement is that, while the wage-earner has to live in this way, his employer is permitted to live however he himself prefers. It might be tolerable if the whole of a community put itself on rations, so ordering its life that nothing it consumed was wasted and that there was no useless luxury. Short of this, however, any attempt to standardise the conditions under which one section of the community lives, while leaving the rest free to live as they choose, reduces the standardised class to a condition of virtual slavery. Indeed, the whole tendency towards the Servile State has been made extremely evident by the half-vindictive, half-philanthropic efforts of the employing classes to standardise the lives, pleasures, and pains of the workers. The invariable tendency of any powerful class of men to claim the right to dictate to their weaker fellows is a warning that it will not be safe to seek to standardise the life of the Guildsman by standardising his pay according to

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what are considered to be his needs. A free man will share this right with none but Nature.

Different is the question whether Guildsmen should be paid according to their position in the Guild, or whether all the members of the Guild should be paid equally. To the capitalist type of mind the question is ridiculous. Who will trouble to excel, the capitalist asks, unless he knows that by so doing he will be improving his material position? But this attitude is quite alien to the spirit of Guild work. A craftsman who loves his craft will aim always at executing good work, regardless of any additional monetary reward. If he is also an ambitious man, the admiration of his fellows—and even their envy—means more to him than money. It may be suggested, however, that the assumption of especial responsibilities entitles a Guildsman to especial remuneration, or at least to especial privileges. The last must certainly be admitted; privileges should be apportioned according to responsibilities—among free men they always are! The matter of actual monetary remuneration, however, is not covered by this. It will be difficult to grade men in the new Industrial Guilds as simply as they were graded—as apprentices, journeymen, and masters—in the old Craft Guilds. What, then, is to be done?

It is clearly impossible dogmatically to lay down any rules at present for the payment of individual Guildsmen. We may, however, suggest the following as incontrovertible points of Guild doctrine. First, the amount apportioned to each National Guild for the remuneration of its members should

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be in exact proportion to its membership. For example, each of two Guilds of equal membership should have the same amount for distribution in pay; and a Guild of half the membership of the foregoing should have the half of the amount to divide. Secondly, the manner of distributing pay to its members should be at the discretion of each National Guild, as a democratic and self-governing body. It is, after all, no business of the miners how the transport workers decide to apportion their pay. One Guild may decide to grade the pay of its members, and another to pay them all equally. Both these methods are unobjectionable from the Guildsman's point of view.

We must remember that the total amount of pay to be allotted for distribution by the Guilds will not be standardised. The governing consideration in arriving at this sum will be not so much the fixing of an arbitrary "standard of life" for the Guildsman, after guaranteeing which the State will feel justified in appropriating the rest for public purposes; rather will the position be that the State will ascertain its needs for the year and present its statement to the Guild Congress (of which we shall speak in a moment), and the Guild Congress, on its side, will have to take into consideration the economic needs in capital and plants of the various Guilds. These considerations settled,[1] the rest of the Guilds' income, whatever its amount, will belong to the Guilds. In order, however, that no individual Guild shall deliberately increase its prices in order

[1] The provision of fresh capital has also to be taken into account. See below, pp. 327–8.

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to increase its income, it is necessary that all Guild moneys should be pooled in the Guild Congress, which will insist on the operation of the first rule of National Guild remuneration, namely, that all the Guilds shall receive money for their members' remuneration on a basis of numerical membership.

The basis, then, upon which the individual member of a National Guild will be paid is "neither what a man's labour will fetch, nor what a man is supposed to need, nor what a man's service is estimated to be worth to the State, but the fact that he is a member of a Guild. As such, he will be entitled to full pay both when he is working and when he is unemployed, and to a pension when he ceases to produce." Should a Guild decide to institute equality of pay among its members, the decision must come spontaneously from the Guild and must not be the result of dictation from without. This equality of income does not, of course, preclude the possibility of a differentiation of the hours and conditions of the members of the Guild, according to the character of their occupation. As for the Guildsman's savings:

> The individual will be free to save or bank such portion of his earnings as he may choose, but no interest will be paid on such savings. The present method of individual saving will be no longer necessary to the reproduction of capital, since this reproduction will be arranged for by the Guilds themselves.[1]

We have now seen, in broad outline, how a Guildsman would enter his Guild, how an unworthy member might be expelled from his fraternity, and how the Guildsman is to be remunerated. We shall

[1] From the *Syllabus*.

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now proceed to discuss the administration of the Guild as it will strike the Guildsman, our intention being always to work from the individual Guildsman upwards to the Guild Congress rather than *vice versa*; for, indeed, the National Guilds will be based as certainly on the individual members and their common purpose as a nation depends on the individual citizen and his morale.

On entering his Guild, the Guildsman will find himself able to influence its administration in a double respect. His first voice will be in the workshop where he is actually working (we use the workshop as a convenient example of the smallest distinct unit in the structure of any industry) and in the works of which this is a part; his second voice will be through his craft organisation.[1]

The main principle of National Guilds in regard to administration is that every official in the main framework of a Guild should be chosen, not by a general election, but by the men best qualified to judge of his ability for the position, and that every such choice must be ratified by the workers who are to be affected by it. The Guild would build up in this way a pyramid of officers, each chosen by the grade immediately below that which he is to occupy. The lower the grade, the shorter the period for which the official would be elected.

The second form of organisation within the National Guild would be by craft representation. Over against, and in addition to, the structure of

[1] In some Guilds, as, for instance, Engineering, it may be necessary to provide for a third form of representation, for the Department or "Sub-industrial Grouping" to which the worker belongs, *e.g.*, the foundry, or the shipyard (should shipbuilding, as seems probable, fall within the scope of the Engineering Guild).

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officials (each grade rising by election out of that beneath it) there will be also a vast organisation by craft. All those members of a National Guild who are engaged in the same craft will have the right of separate craft representation in addition to the direct election of officials. This form of craft (or professional) representation, running horizontally across the Guilds, provides another means by which the individual Guildsman will direct his own working life; for the craft representatives, chosen by their fellow craftsmen, will take their place in the administrative structure of the Guild, side by side with those representatives whom the worker has elected, not as a craftsman this time, but as an industrial worker.[1] It may in certain cases be desirable that the grades above—instead of those below—should suggest suitable candidates for posts; it is essential, however, to the safety of the Guild that the actual election of these officers should rest with the grade below, and that it should in every case be ratified by the workers most closely concerned. (These rules, of course, need not always apply in cases where the office in question is wholly advisory and does not entail any authority over other Guildsmen.) The craft organisation would also, where necessary, have to decide if the technical qualification of the candidates entitled them to seek election; indeed, it would in such cases be necessary for these to pass the craft tests before standing for office. The common aim of the Guild

[1] It may in some instances be both possible and desirable to combine these two principles of local and craft representation in a single electoral process; see, for example, the constitution of the N.U.R. as quoted above, p. 121, n.

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in its choice of officers must be the finding and keeping of the right administrative talent in the right official places; the methods here outlined seem to us the best adapted to secure this.

The objection might, however, be raised that the officials as a whole—from the shop stewards and Workshop Committees to the general managers and the Guild Executive—might combine, with the "never-ending audacity of elected persons," in a huge conspiracy against the rank and file, and turn their official positions into one vast vested interest—in short, that they might become politicals in industry. To this we would reply that, if the workers have the sense to get rid of the wage-system and to found the Guilds, they will be sufficiently intelligent to form vigilance committees within the Guilds, should these be necessary to prevent the officials, who are elected to carry out the administrative work of the Guilds, from degenerating into rogues seeking only their own individual interests.

The foregoing will have given the reader a rough idea of the administration of a National Guild from the individual Guildsman's point of view, and have shown incidentally the path by which capable and trusted men would rise to office in their Guild and in their craft association. We may now turn to a consideration of the structure of the Guilds. We shall perforce deal with outline rather than detail, since it is not possible to take any one industry and to apply the results to all the others. Nor, to be sure, are National Guilds intended as machines for the stereotyping of industry; on the contrary,

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If the Guild is not to fall into mediocrity, it must preserve the distinctness of works from works, of locality from locality, and of nation from nation.[1]

We may quote, also, from the *Syllabus* of which mention was made above:

The system of National Guilds does not involve a highly centralised and universally sovereign national authority, and it is essential to avoid either stagnation in the methods of production or excessive standardisation of the product. The local branches of each Guild will, therefore, be free to adopt and apply new inventions, to specialise on certain products, and in general to adapt production to their own ideas and local needs. This freedom will, however, be subject to the observance of the regulations laid down by the National Guild authority and to the national fixation of general conditions, *e.g.*, hours and factory amenities, etc.

The amount of local autonomy in the Guild will vary according to the type of industry concerned, *e.g.*, the transport and railway system will be far more highly centralised than the building industry, which produces for a local market. Though orders will to a great extent

[1] *Self-government in Industry*, pp. 253-4. Mr. Cole compares this with the "cartel" system in capitalist production: "In the public mind, rings, cartels, and trusts are too often lumped together without distinction; but the difference between them is of the greatest importance for Guildsmen. The 'ring' may be only a trust in process of formation; the fully developed 'cartel' is a distinct type, and is Capitalism's latest and best form—from the capitalist point of view. Briefly, the cartel, instead of destroying difference, aims at retaining it. It leaves the management of every 'works' in separate hands, and only co-ordinates their forces in face of the consumer. It regulates sale, supply, and demand, and keeps a watchful eye on efficiency, and often on labour conditions—all, of course, from the capitalistic standpoint; but the methods of production it leaves, generally speaking, to each separate factory. In this way it does undoubtedly secure a higher degree of efficiency than the complete trust; it standardises price, but it avoids the standardising of production. The Collectivist Utopia would be a world of public trusts; the Guild Utopia will be a world of producers' cartels, worked in the interest of the whole community. . . . It is the organisation of human differences on the basis of human identity."

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continue to be placed with and payment made to the local Guild authorities, these authorities will act solely as receivers for the National Guild, to which all moneys will belong. Competition of quality will thus continue between the various branches of the Guild, but the incentive to better workmanship will not be financial.

And Mr. Cole points out that

It is, in fact, not *production*, but *trading*, that must be under a national control. . . . Let each works be in the first instance self-governing where production is concerned; but let the organisation of exchange be carried out by a national authority acting in co-operation with local authorities. . . . The preservation of a high standard of craftsmanship will be a function of the national and district authorities; but the works will be self-governing, and intervention from without will come only by way of occasional criticism, and in answer to an existing grievance.[1]

National Guilds will be based upon national industries. There will, therefore, be as many National Guilds as there are main industries susceptible of Guild organisation; and their structure will be conditioned by the nature of their functions. The number of National Guilds cannot at present be accurately determined, since much depends on the manner in which the Guilds come into being. For example, it may be academically desirable that the railwaymen should merge with the other transport services and should form with them one inclusive Transport Guild; it is, however, quite possible that, if, as is probable, the Guilds come gradually into existence, one of the first will be a Railway Guild, concerned only with that form of transit. But there cannot be a smaller division than this;

[1] *Self-government in Industry*, pp. 272–4.

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the railwaymen cannot have two Guilds. Thus the number of National Guilds may be supposed to lie somewhere round about a score. This is not, however, a matter that need detain us.

We wish now to consider, first, the relations of the National Guilds with each other, and afterwards their relations with the community as a whole and with the individual in it. Modern industries are so interwoven that it is often difficult, sometimes even impossible, to find the exact point of demarcation between two industries—and thus between their respective Guilds. A certain body of men may be laid claim to both by the Railway Guild (or will it be the Transport Guild ?) and by the Engineering Guild. There are, for example, the men working in the railway shops who may find themselves in this position. One solution of the demarcation difficulty would be that the two Guilds should, with the approval of the men concerned, come to a decision about them one way or the other ; better still, the men might be considered members of both Guilds, with special conditions applying to them.[1] This is an interesting point, but, again, not one of great importance ; we mention it here as an example of the inter-Guild problems that may arise. The chief industrial relations, however, of one Guild with another will arise in the supply and consumption by the one of the products of the other.

The interaction of the Guilds will be determined by the extent of the interdependence of their industries. There must be local, district, and

[1] The system of transferable cards of membership between two Trade Unions is already in existence in some cases.

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national arrangements, according to the nature of the matters involved. With the quickening of individual expression that we expect from the Guilds, and the consequent development of local interests, it is to be anticipated that the bulk of the inter-Guild relations will be centred in the Local and the District Guild Councils. To the National Councils will be submitted only such matters as are of national importance; otherwise, as in all Guild activities, decentralisation will be the rule.

As one Guild will in many cases consume in its own production the produce of another, and as many problems connected with demarcation, transference of membership, and the dovetailing of seasonal industries will arise, it will be necessary that there should be some machinery for the discussion of such questions. For this purpose the Guilds will probably set up Joint Committees, local and national, temporary or permanent, responsible to the executives of the two or more Guilds concerned.[1]

A distinction should be drawn between the products needed for the work of the Guild and those needed for consumption by its workers privately—for example, between the supply of coal by the Mining Guild to the Railway Guild for use in running the railways, and that for burning on the railwaymen's family hearths. With the latter question of private supply we shall deal later; we are here speaking only of those supplies needed by the Guild for industrial purposes. This particular instance, of the supply of coal for the railways, happens to be one that would directly concern two Guilds only; many such questions, however, will closely and simultaneously affect several Guilds. The obvious

[1] From the *Syllabus*.

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machinery for dealing with these matters is to set up Joint Committees (permanent or temporary, according to the nature of the work), on which will be delegates of each of the Guilds concerned and, in many cases, representatives of craft associations as well.

The circle expands, and matters arise which concern in some degree all the Guilds. If the matter is a local one, it is clearly one for decision by the Local Guild Council or by a special committee appointed by this body; if it concerns a whole district, the District Guild Council will deal with it. Industrial matters of still greater importance will be dealt with by the National Guild Congress, on which every Guild will have representation. We must now consider the nature of this important body.

There are several functions that belong peculiarly to the Guild Congress, and for the settlement of which it will no doubt establish permanent committees.[1] Indeed, every question that is the affair of all the National Guilds as a whole is clearly a matter for decision by the Guild Congress; but it must be remembered that the working out of any decision arrived at is, as far as any individual Guild

[1] The precise constitution of the Guild Congress is in dispute among Guildsmen. Some argue that it should include representatives of all those who are rendering services, whether in Industry, in the Educational, Medical, and Legal Guilds, or in the Administrative Guild of the Civil Service, since all these are (in the widest sense) "producers." Others contend that the Guild Congress should cover Industry only, and prefer, therefore, to speak of the "Congress of Industrial Guilds." In their view, the relation to the State of each Civil Guild is a question to be decided on its own merits, and is entirely distinct from that of the relation of all the Industrial Guilds to the State. Accordingly, they foresee a number of "Second Chambers," each dealing with a special function of Government and elected *ad hoc*, *e.g.*, an "Industrial Senate," or Joint Committee of the State and the Industrial Guild Congress; an "Educational Senate," representing the State and the Teachers' Guild, etc.

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is concerned, largely the affair of that Guild alone. Most factory laws and similar industrial regulations will be the province of the Guild Congress; also, disputes between Guilds must, in the last resort, be brought before the Guild Congress for settlement.

Indeed, a query often brought to confound National Guildsmen is this: What would happen to a National Guild that began to work wholly according to its own pleasure, without regard to the other Guilds and the rest of the community? We may reply, first, that this spirit would be as unnatural among the Guilds as it is natural nowadays with the present anti-communal, capitalist system of industry; secondly, if it did arise in any Guild, this contempt for the rest of the community would be met by the concerted action of the other Guilds. The dependence of any individual Guild upon the others would be necessarily so great that a recalcitrant Guild would find itself at once in a most difficult position; with all the other Guilds against it, and the State as well (for it is to the interest of the State to see industry harmoniously conducted), a Guild that pressed forward demands that were generally felt by the rest of the community to be impossible or unreasonable would soon be brought back into line again. A Guild, however, that thought itself ill-used by its fellows would be able to signify its displeasure by the threat of a strike; but it is to be hoped that there would be sufficient machinery for the successful settlement of inter-Guild dealings that occasion for this would seldom arise. The further objection may be made that other considerations besides that of personal profit

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might lead a Guild to take high-handed action. However, it may justly be answered that the establishment of the Guilds and the Guild Congress means the end of irresponsibility among the workers and ensures their determination to avoid internecine differences. Such conflicts, it must be remembered, as at present occur between two Trade Unions are almost invariably due to their centralised constitution; were the local life of the workers quickened by the rise of the Local Guild Councils, the interested feuds of Labour's high officials would never be able to affect, as they do now, thousands of their fellows.

The main duty of the Guild Congress, besides its being the supreme authority for the decision of inter-Guild differences, concerns the income and the taxation of the Guilds. Here we come into direct contact with that aspect of society which lies outside the Guild organisation. The exact nature of the relations between the Guild Congress and the State is a subject of discussion amongst National Guildsmen. There is the one party that insists that the State is entitled to claim ultimate authority over the Guilds. Another school points out that this claim, without the power to enforce it, is empty, and suggests that the sovereignties of the Guilds and the State should be equal and opposite; that neither of the parties to this social partnership can claim absolute sovereignty or enforce subjection, since the independence of each will be limited only by their interdependence. We shall not enter into the philosophic discussion that rages between these two schools. The problem of sovereignty is fascinating in the extreme, but it is not necessary to pursue it here. From our –

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standpoint, the essential and basic thing is that initiative in industry should lie with the producers themselves through the Guilds; this no Guildsman will dispute.[1] It will be sufficient for our immediate purpose if we lay down the following broad rule: *The Guilds (through the Guild Congress) shall be the final authority in all purely industrial matters, while the State (through its Parliament) is to be the final authority in all purely political affairs; matters of both political and industrial importance are to be determined by joint committees of the Guild Congress and Parliament.*

This rule may be applied, for example, to the questions of foreign trade and foreign affairs. So closely connected are these two functions that neither Parliament nor the Guild Congress could hope to control them without mutual co-operation.

For the conduct of foreign affairs a body representing both the geographical State and the industrial Guilds will be necessary, since it is impossible to separate economic from national problems in foreign relations, and since the connection between them will become even more intimate in a democratic system.

International barter will be a function of the Guilds. That part of our overseas trade which now represents, not the direct exchange of commodities or services, but the investment of a portion of the national wealth, will be carried on while it continues by the State.[2]

[1] See above, chapter ii., pp. 15–25, where it is shown how this standpoint differs fundamentally from that of the Collectivist.

[2] From the *Syllabus*. While touching here (if only to exemplarise another point) upon the matter of foreign trade, we may take the opportunity to reply to a question sometimes asked of Guildsmen: Would the Guilds be able to maintain our national position in foreign markets, especially, for instance, in the vital markets of raw materials? We should reply that, if it is possible for our private firms, with or without the active assistance of the State, to maintain their position

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The formula we suggested above for the demarcation of State and Guild authority applies equally clearly to the matter of providing capital for new undertakings or new forms of industry—as, indeed, to all questions where both political and industrial interests are directly concerned. Thus, for example, with regard to taxation and revenue, we find the following procedure suggested: The Guild Congress will be the repository of all moneys received by the Guilds in payment for their products, and it will determine annually, upon the representation of the various Guilds, what sums should be set aside for depreciation and development. The State also will draw up an annual budget, stating the amount it requires from the Guilds for communal purposes. These two budgets—the State's and the Guilds'—should then be discussed and the result ratified by the Joint Committee of Parliament and the Guild Congress, and the sums apportioned. The rest of the Guilds' income should then be allotted by the Guild Congress to the various Guilds in proportion to their membership, to be concentrated or distributed, equally or otherwise, according as each separate Guild determines its own practice.[1]

in these markets, it is all the more possible for a National Guild, working in conjunction with the State, to fulfil all that has to be effected there in the national interest. And since it is by the quality of British wares rather than by their multitude and cheapness that we must hope to maintain our position in the world's markets in the future, the Guilds, with the revival of good work that they would necessarily bring, would prove to be the best possible instrument for the successful conduct of our foreign commercial relations.

[1] "In the event of large sums of new capital being necessary for the development of any particular industry, such sums will be provided either by a remission of the tax due from the Guild in question to the State, or, in the event of that sum being insufficient, by the grant of a sum . . . to the Guild concerned. The normal stimulus to the expansion of productive enterprises will come from demand; and the Joint Committee which fixes the taxation due from the various Guilds will

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This effectively prevents profiteering by a Guild, since the money it receives from the consumer does not remain its own property, but goes, together with the incomes of all the other Guilds, into the treasury of the Guild Congress. The price of commodities may, therefore, be established by the Guilds and the consumers jointly, partly on an economic, partly on a social basis.[1] In order to effect this, the consumers must be organised in representative local and national bodies. Whether the latter will coincide with the local and national machinery of the State, *i.e.*, the municipal bodies and Parliament, or whether the consumers' associations will grow up beside these, need not be discussed in this chapter.[2]

The consumers' associations will draw up their "budget" of demands for commodities for the coming year, or a less period. If the Guild Congress, through its various industrial committees, agrees that the demands are reasonable, the Guilds will arrange to produce them. Needless to say, this budgeting will tend to be far more on a district basis than on a national scale, and will in practice, perhaps, never come before the Guild Congress at all, except for formal ratification. The District or Local Council of each Guild will, no doubt, determine the amount of commodities that each of its component works shall produce.[3]

see to it that each Guild makes adequate provision for normal development, as well as for depreciation."—From the *Syllabus*.

[1] In the majority of cases the governing factor would undoubtedly be the cost of production.

[2] See below, pp. 353–367.

[3] The following quotation from Mr. Cole's *Self-government in Industry* (p. 273) is interesting in this connection: "The works will supply its products to the District Committee for purposes of distribution, and the District Committee will pay it according to the price-lists fixed by

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We come now to the important question of distribution. This part of the Guild theory has been very thoroughly discussed by National Guildsmen, and we cannot do better than quote the following[1]:

Retail trade will be partly in the hands of the producing Guilds, and partly in the hands of the Distributive Guild. Where the maker of the goods is, from the nature of the commodity, also naturally the retailer, as in the case of clothing, the producing Guild should organise distribution through its own shops. Where the retailer is naturally divided from the maker, retailing should be controlled by a Distributive Guild, with shops in every locality. (This Guild will succeed to the functions of the private tradesman and the co-operative store of to-day.)

The Distributive Guild . . . will sell its products at the prices at which it buys them from the producing Guilds or from foreign producers. This applies except where, in the case of imported products, a different selling price is fixed by the joint committee of consumers and producers. . . . There will thus not be two standards of price, the one wholesale and the other retail. The Distributive Guild, like other non-productive Guilds, will receive (for the payment of its members) a sum calculated according to the number of persons whom it employs. Both the producing Guilds and the Distributive Guild will have wholesale warehouses. (In this aspect, the Distributive Guild will succeed to the

the National Guilds for what it produces, quality as well as quantity being, of course, taken into account in fixing the price. By this means, a check will be put upon any attempt by a works to do bad work or to 'scamp' its tasks." This would appear to introduce into the Guilds the method of payment by results, and this even as a coercive method! It is probable, however, that this reading of the passage quoted is due rather to its careless wording than to the real intention of its writer. If Mr. Cole simply means that a district might suffer financially for failure to supply goods equal in quantity or quality to what it had covenanted to produce, without reasonable ground of excuse, then we can agree with him; but we think that the point might have been more plainly stated. As it stands, the passage is inconsistent with Guild theories, and, indeed, with all the rest of Mr. Cole's work on the subject.

[1] From the *Syllabus*.

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distributive functions of the Co-operative Wholesale Society.)

Foreign products which compete with the products of the producing Guilds will be imported through the Distributive Guild, subject to the right of the Guild Congress to exclude any product made under unfair conditions by the foreign producers. Wholly imported commodities ready for distribution to the individual consumer will be imported by the Distributive Guild. Such articles as form either the raw material or the instruments of production of a productive Guild will be imported by the Guild concerned.

In order that the individual consumer may have an opportunity of making his demand effective, there will be associations of consumers among the buyers connected with the local branches of the Distributive Guild.

All . . . freight charges shall be abolished for home traffic; there would then be no variation in the selling price of commodities according to the varying cost of transport to the districts in which products are to be consumed.

It is with regret that, from the point where we began to speak of inter-Guild matters and of those which affect both Guilds and State, we have ceased to view the Guild society from the standpoint of the individual Guildsman. But we wish emphatically to declare that we do not regard any of the matters we spoke of as being in a sphere removed, as it were, from the understanding of the mere Guildsman. On the contrary, it is to be hoped that all these problems can be brought into the ken of the smallest units in the Guild. Another way, also, in which the individual Guildsman will be able to interest himself in the larger problems of industry will come through his craft organisation, since not only will this elect and nominate a portion of the members of any

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committee dealing with matters that intimately concern it, but it will also be in a position to certify that those Guildsmen who satisfy its tests are sufficiently qualified to enter, in the capacity of experts, the service of other Guilds who consume largely the products of the experts' own Guild. Such a "foreign" position, which will, of course, exist as much in the district as in the national relations of the Guilds, will particularly enable the Guildsman who occupies it to take a larger view of industrial problems.

While we are speaking of the individual Guildsmen, we may consider a question, often raised, concerning producers who would remain outside the Guilds or are engaged in forms of production that are not susceptible of Guild organisation. With the latter, at least, the Guilds will clearly not claim to interfere, unless they interfere with the Guilds.[1] With regard, however, to individuals engaged in an industry that is administered by a National Guild of which they are not members, it is obvious that the Guild must claim a certain authority over their activities. With the decentralised "cartel" organisation of the Guilds,[2] it is unlikely that there will be many individual enterprises which will not willingly seek the shelter and protection of the National Guilds. But where, for some reason or another, there may be good cause why such men should

[1] There is a well-known equivoque in the *Catechism of National Guilds* (published by the National Guilds League) as follows:

"Outside both Civil and Industrial Guilds would be a number of occupations insusceptible of Guild organisation—journalism, art, literature, etc. How would the members of these callings live?"

"They would live, as they do now, by their wits."

[2] See above, pp. 320–1.

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remain outside the main organisation, the Guilds will, no doubt, institute a system of licences, which, granted for a certain period, will permit the licentiate to diverge in some respects from the general rules of the Guild. This is perhaps the choice that will be set before small owners—in agriculture, for example: they will have the choice of remaining as single-handed and self-contained licentiates of a National Guild, or of joining forces with their neighbours as fully fledged Guildsmen in the local organisation of the Guild.

A final point, and we are done. A capable and practical supporter of National Guilds, discussing once the possibility of forming a Guild upon the railways,[1] set out a few of the amazingly complicated tasks that are undertaken daily in the administrative work of the railways, and said that

> The genius that has evolved and made possible the smooth working of such arrangements could, if released from the solving of these and similar complex problems, initiate a National Railway Guild, and be as successful in overcoming difficulties yet unforeseen, but of a far less difficult character.

We may apply this remark to other industries, and to the maintenance as well as the foundation of National Guilds in them. The administrative genius manifested nowadays in industry will not disappear with the coming of the Guilds; it is likely rather to be quickened with the general resurrection of the Guild spirit. We are led to emphasise this on account of the nature of some questions

[1] Mr. "Henry Lascelles," in his "Towards a National Railway Guild," reprinted from the *New Age* as an appendix to *National Guilds*.

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frequently put to National Guildsmen. A typical example of the kind of question to which we refer is the following: What would happen to a body of men whose occupation, for one reason or another, ceased suddenly to exist? Would they become non-working pensioners of their original Guild; or, if not, *how would it be possible* to transfer them to another Guild which was in need of members? This "how would it be possible"—when, indeed, the questioners even anticipate that National Guildsmen will admit the possibility at all—leaves entirely out of account the enormous administrative ability exercised by the managerial grades in industry to-day. It would not be insuperably difficult, even in the present unnatural and inefficient conditions of the wage-system, to deal with such a body of men as those referred to in the question. With National Guilds, their redistribution in other industries would be a matter of skilled arrangement. Moreover, the Guild Congress and the Local and District inter-Guild Councils would provide admirable machinery for the adjustment of precisely such difficulties.

A NOTE ON THE JUDICIARY

The following letter from Mr. H. H. Slesser appeared recently in the *New Age*. We are grateful for the opportunity to reproduce it here:

To dispute the sovereignty of the King in Parliament is to incur the penalties of praemunire; nevertheless, it would appear that the consequences of National Guilds, more especially in the creation of a paramount Producers' Guild Congress, are likely to involve some of

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its advocates in the criminal act of setting up a collateral Sovereign alongside of that which has its material being in the Palace of Westminster.

The analysis of sovereignty in the Guild society, as foreshadowed by Messrs. Cole and Ewer, would appear to favour the retention of the word "State," though the edicts of that authority would be confined to the interests of citizens and consumers; but, to my way of thinking, as a matter of terminology, it would be better to describe this legislative as the Civic Congress, and either abandon the use of the word "State" altogether in this connection, or, in the alternative, confine it to that joint assembly of consumer and producer which would determine matters in dispute. It would probably be objected, and, with some force, that the latter suggestion would tend to give to the joint assembly a more permanent recognition in the community than is desirable, and, therefore, perhaps, on the whole, it is more accurate to speak of the Guild State as a divided State, and to abstain from attempting to achieve an artificial unity which will have no relation to the facts of Guild existence.

When, however, we pass from terminology to a more critical examination of the political consequences of a divided State, many fresh problems force themselves upon our attention. We may assume at the outset that the whole notion of sovereignty is a legalistic one; to assert sovereignty in an Authority is really to do no more than to afford an indication to judiciaries as to which of several competing ordinances they are to obey. The mystical notions of State which some Socialists, alas, confuse with the corporate recognition of society can have no attraction for the Guildsman.

The representative system is and must be defective enough in any case; all representation is apt to prove a fetter on individual will; to elevate it from expediency into a cult is a prime heresy.

Let us assume sovereignty, therefore, to reside not in that authority to which obedience is accorded, for that is a question of fact only, but in that authority

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whose mandates the Judiciary will construe as law, and it will at once be seen that there is no inherent reason why sovereignty should not be distributed among a whole people.

Theoretically, there is no reason why a Judiciary should not refuse to acknowledge an edict unless it has the unanimous consent of all the citizens. In such a case, it will at once be observed that the Sovereign and Society have become coterminous. On the other hand, the will of a monarch, without Council or Parliament, may command judicial acknowledgment; and here the Sovereign would become the antithesis of Society.

In every case, it will be noticed, the Judiciary remains outside and independent of the Sovereign body; for the Judiciary in the last resort interprets the law and gives that acknowledgment by which alone an Authority can become a Sovereign. This is most obvious in the case of a federal State; but it is also the case with a single Sovereign Parliament. Is it less true of a Guild Society?

In the Guild Society, it will be remembered, we have assumed two authorities at the least, the Congress of Guilds and the Congress of Citizens, each possessing legislative functions. In certain cases of disagreement they meet to form the whole State, and, presumably, only under certain circumstances; but, in every case, the edicts can only be given a value by the Judiciary to which they must appeal.

Thus, it may be argued, that a particular Guild Congress law is *ultra vires*, or that a citizens' law is beyond the civic authorities' powers. Assume a law affecting the employment of young children in factories—is this a matter for Guild or Civic Congress? Presumably, certain principles of demarcation will have been established; but who can determine their application except the Judiciary?

Again, a joint session may be held which may decide a matter not competent to it; the essential preliminary disagreement may not have occurred, or some other reason may invalidate the proceedings. What other

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method of settling the matter besides a recourse to the Courts is possible?

Thus, while it is perhaps true to say that a Judiciary is not a Sovereign body, it is necessary that every Sovereign Authority should erect a Judiciary to realise its acts; and from this conclusion follows a further, that the more the Sovereign Authority is divided the greater becomes the power of the Judiciary as arbiter of its disagreements.

That a Judiciary in a federal State is more potent than in a single Parliamentary one is obvious. It is my contention that the Guild Society, by dividing its sovereignty, must inevitably exalt its judicial organ. Judges, therefore, in a Guild State must tend to become powerful; and, for this reason, a corrective to judicial arrogance will have to be discovered.

Perhaps this will best be achieved by rendering the Judiciary elective, not perhaps directly by the citizens, but by that joint body of Guild and Civic Congresses of which I have spoken. The judges must be persons imbued not only with law, but also with the Guild outlook. Collectively, they may come to be represented in a Judicial Guild, and so find their way as workers into the Guild Congress itself. This, however, is speculation. My purpose here is to draw attention to the fact that the divided Guild State must be a trinity and not a dualism.

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CHAPTER IX

PROBLEMS AND POLICY

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" National Guilds " or " Guild Socialism " ? Reasons for choice of former title. Will the Guilds be aristocratic or democratic in nature ? And in structure ?

Three revolutionary critics of National Guilds : (1) the " Syndicalists " ; (2) Mr. Penty and the Local Guildsmen ; (3) Mr. Belloc and the Distributivists.

(1) Syndicalist objections to National Guilds. " In conjunction with the State." The State not merely " bourgeois " in its true functions. Should the State resign industry to the Guilds, or meet them as representative of the consumers ? The consumers' need of representation :

(1) as individuals, for purposes of choice (*a*) in the purchase of goods, (*b*) in the use of services ;

(2) as the public, through Joint Committees, for purposes of co-ordination.

State purchase and " control " : an encroachment upon private Capitalism, but a possible step towards State Capitalism. Nationalisation : its dangers and advantages for National Guildsmen. The basis of Expropriation in the transition to a Guild society. Parliamentary action : its fascination for Labour, and its danger. Not Parliament, but industry the right sphere for Trade Union action.

(2) Mr. Penty's position. " The enemy, not Capitalism, but Industrialism." Indifference to Trade Unionism. Weakness of this attitude. For National Guildsmen, Capitalism the enemy. Mr. Penty puts the cart before the horse.

(3) Mr. Belloc's criticisms. Their basis, distrust of ownership by the State, *i.e.*, by the " politicians." Mr. Belloc's remedy : the redistribution of property. Practical objections to this, and to private ownership of the means of production, etc. A fundamental difference between Distributivists and National Guildsmen.

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Matters at issue amongst National Guildsmen :—

Women in industry : their effect in weakening Trade Unionism. Remedies suggested : (1) refusal by men to work with women labour ; (2) joint Trade Union organisation. The first alternative now impossible. Industrial Unionism essential for both men and women workers. Women in the Guilds : all labour not their province. The professions, and the clerical and crafts sides of industry, open to them.

Unemployment : should it be made a charge on the industry ? Advantages of this, and methods of effecting it. Its danger : " industrial autonomy " a possible menace to the autonomy of Trade Unionism.

Joint Control : must it be " exclusive control " ? Or may it be " divided " with the employer ? A matter of expediency, not of principle. The case for Exclusive Control. The case for Divided Control. The spirit behind the workers' claim for control more important than its form.

The fundamental question.

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IX

PROBLEMS AND POLICY

IT is a sound instinct that has led so many of those who have been concerned with the working out and propaganda of the principles of National Guilds to seize upon a brief phrase to cover and to express the whole, and to write and speak of the Guild idea. It is, as we insisted in our introduction, rather as an idea than as a creed that National Guilds challenge the assumptions and the practice of capitalist society. In order to fulfil our purpose of making clear the meaning of National Guilds and the essentials of the programme and policy which are involved in its realisation, we have had necessarily to cast our previous chapters in a dogmatic form. Indeed, there is much in what we have sought to make clear which could not be stated otherwise; it is the very gospel of the Guildsman. At the same time the reader must already have discovered how numerous and how important are the problems which the Guild idea raises the moment we seek to embody it in a programme or to apply it by formulating a policy. With some of those problems we have dealt already; with others we shall not seek to deal, since they are outside the range of this book. What we propose to do in this final chapter is to recall some of the main controversies which have arisen, for the most part among Guildsmen themselves, not so much with

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a view to disposing of them by any pretended *ex cathedra* judgment, but rather with the object of setting our readers at work to think them out for themselves. For the more people who accept the task of thinking independently along the lines of Guild principles, the nearer we shall come to the truth about them and the problems they raise.[1]

For it is no derogation of the truth and value of an idea, or even of a dogma, to suggest that its full implications remain to be seized even after it has been accepted. It is in the pursuit of a truth seen afar off that we may best hope to achieve the full revelation of it; this is true of social no less than of religious matters. It is especially true of the Guild idea, which, as we suggested in our introduction, may be arrived at from so many starting-points. It is like a mountain which reveals itself in different aspects according to the angle from which we gaze upon it, and those who seek to climb will find their knowledge of it incomplete until they meet and exchange experiences upon the summit. An illustration of this different method of approach to Guild principles is afforded by the different titles which those who accept them would choose to express the propaganda.

"National Guilds" or "Guild Socialism"?

There are still many who prefer to call themselves "Guild Socialists." After all, they argue, because Socialism has been led astray by the

[1] To think "independently," however, does not mean in isolation, and it is to be hoped that whenever possible Guild thinkers will exchange their ideas by discussion, and so test and improve them. It was partly to this end that the National Guilds League was founded.

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Collectivists, that is no reason for deserting her. The Guild society will be based on the Socialist principles of State ownership of the means of production and communal absorption of surplus value; the Guildsman's analysis of the wage-system is fundamentally Marxian and the advocacy of nationalisation is a part of his programme. Moreover, to cut oneself off from the great Socialist movement in all countries is to risk the danger of a bourgeois "superiority" and to weaken one's influence with the workers for whom its views and traditions have still a value and may even serve as an inspiration.

There is a good deal of truth in all this; and Guildsmen would be foolish as well as pedantic to deny it. But there are other considerations to be taken into account, and these induce us to support the *New Age* writers in their decision to substitute, for the sectarian designation "Guild Socialism," the wider and, to many, more compelling description "National Guilds." We do not propose to repeat here our conviction of the essential failure of the Socialist agitation in this country, or the limitations which that failure must, in our view, necessarily impose on all efforts put forward as part of the Socialist movement. Our objections to the term "Guild Socialism" as a sufficient description of the idea of National Guilds go deeper than this. Though, in our opinion, Socialism is certainly one of the constituents of that idea, it is only one of them. National Guilds involve what is true in Socialism; but Socialism does not by any means necessarily involve National Guilds, as is shown by the way in which

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prominent Socialists, mostly of the extreme bureaucratic and political type, are accommodating themselves (as they believe) to a prevailing tendency by calling themselves "Guild Socialists," while displaying few or none of the signs of grace which a true conversion would produce. We do not deny that Guild propaganda has made great headway among the Socialist rank and file—we rejoice that such headway has been made. But the gospel of National Guilds has to be preached to a wider circle than Socialism is now likely to reach; we have to call not merely the righteous, but sinners to repentance. The wage-system is a national curse—indeed, a national sin—and it is as a national challenge that the Guild idea must go forth.

The Guilds Aristocratic or Democratic?

It is curious, to be sure, that, just as the Socialists have attempted to cast their broad and tattered skirts over the Guild idea, so have their sworn enemies, the upholders of Aristocracy. Mr. A. E. Randall, a regular contributor to the *New Age*, suddenly hurled a bombshell into the Guild camp by claiming that the Guilds neither had nor need have any association with the specious principle of Democracy. First, he said, it is illogical to suppose that the Guilds will necessarily be democratic, because, in fact, they will be aristocratic bodies, by virtue of their privileged position in society. Secondly, Mr. Randall argued, the internal structure of the Guilds should preferably be aristocratic than democratic. Coming down to the details, he said:

I propose the election of a certain number of the

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officials of the Guild from the ranks of the manual or clerical workers. But the hierarchy of officials must itself have some power of determining its membership, so I propose that it have the power to co-opt a certain number; and the State, having as much interest in the welfare of the Guild as anyone, will retain the power of appointing certain officials in its own interests, or, at least, of confirming them in their appointments.[1]

Mr. Randall also made a reference to the principle of heredity, but without much enthusiasm. In various letters subsequently addressed to the *New Age*, it was pointed out that Mr. Randall's suggestion, as quoted above, was not really very far removed from the democratic principle of which he was so scornful. For example, Mr. T. W. Pateman wrote[2]:

If [Mr. Randall] admits democratic election of Guild officials by Guild members, together with State appointment of others under a presumably democratic politics, plus co-option of still further officials by the elected ones, he has not got desperately far away from the much abhorred democratic principle. If he has some method, other than popular election, whereby a hereditary ruling caste could get into power, we have not yet heard of it.

And Mr. "Henry Lascelles," writing in the same paper, said[3]:

A principle of the Guilds should be that, if positions of responsibility are to be filled by experienced experts, these should be elevated from amongst themselves to the positions they are qualified for, by their colleagues who know them, but by those colleagues only who do largely understand the particular class of work to be undertaken and supervised.

We quote these two statements in reply to Mr.

[1] See the *New Age*, March 4th, 1915.
[2] *Ibid.*, March 18th, 1915.
[3] *Ibid.*, April 29th, 1915.

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Randall (who received no outside support whatever) as typical of the general outlook of National Guildsmen. Mr. Randall's proposal that the Guilds should definitely adopt an aristocratic in preference to a democratic constitution is hardly to be taken seriously. It ignores the whole history and psychology of the Trade Unions that are the obvious bases of National Guilds; nor does there appear either the likelihood or the desirability of grafting so alien a theory as Aristocracy upon the consciously democratic stem of Trade Unionism. Moreover, Mr. Randall's statement that the Guilds would be aristocratic bodies by virtue of their privileges is a quibble. The privileges of the Guilds would be the public rights to which their functions entitled them —no more and no less; and this principle of "rights according to function" is rather a democratic than an aristocratic one. In any case, however much we might approve the idea of Aristocracy in the abstract, we cannot view without amazement the attempted miscegenation of it with Trade Unionism. Aristocracy is a voice in the wilderness; but the idea of National Guilds inspires an ever-growing chorus in the street of to-day

Three Critics of National Guilds

When, however, National Guildsmen assert—as in practice they do and must—that National Guilds would be democratic in aim and form, they have promptly found themselves reproached with not being democratic enough. This charge has been brought against them by three separate schools of the Left: first, by the Industrial Unionists, more

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commonly, but less correctly, known as "Syndicalists"; secondly, by Mr. Penty's followers, the Local Guildsmen; and, thirdly, by Mr. Belloc's "Distributivists." The Syndicalists—we shall use this term for convenience—complain that National Guildsmen propose to acknowledge the State, which, in their opinion, is unnecessary and even dangerous; the Local Guildsmen object to the large-scale national organisation of the National Guilds; and the Distributivists are aghast at an industrial system which socialises the means of production and exchange instead of encouraging the rise of small property-owners in them. We propose to take the criticisms of these three schools in turn, commencing with the Syndicalists.

The "Syndicalists," and the State.

The Syndicalist objection to National Guilds is to the suggestion that the Guilds would conduct industry "in conjunction with the State." What is the "State," the Syndicalists ask, and what is its function?[1] And they answer that the State is an instrument of the possessing classes, used invariably by these to dominate the dispossessed workers. The Syndicalists see no need for the retention of the State in a society wherein the Industrial Unions would have the monopoly and control of their respective industries; and they claim that the desire for its retention is proof positive of the innate "bourgeois" mentality of National Guildsmen. They suggest that National Guildsmen look forward to

[1] The Syndicalist attitude on this whole subject will be found thoroughly stated in *The State: Its Origin and Function*, by W. Paul (Socialist Labour Press).

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the " State " as to a bureaucracy in which they and the rest of their bourgeois class will always be able to secure comfortable posts, while the workers, segregated and oppressed, go on toiling with only the shadow of industrial freedom to cheer them. These critics admit that National Guildsmen may be unconscious of their own wickedness; but, they assert, this very unconsciousness is the clearest possible proof of their ingrained and ineradicable bourgeois ideology.

" Bourgeois " is a term which is susceptible of many interpretations. National Guildsmen, however, may safely plead innocence to the charge that their preservation of the State is only an attempt to secure the permanent advantage of their class. To National Guildsmen—and they are found in all social classes—the function of the State is not the preservation of an " upper class," but the preservation of society as a whole. We cannot agree with the Syndicalists that a group of industrial organisations, organised in an Industrial Council, is fitted to safeguard all the civil functions of modern life. Industry is only a part of society, and its controllers, whether they be autocratic capitalists or democratic associations of producers, are in no wise fitted by their outlook, by their experience, or by their environment, to direct the other activities of civil life.

Far, then, from the emancipation of society rendering the State superfluous, it is only with this emancipation that the true nature and purpose of the State will exist, for three ends—political, industrial, and national. It will exist to serve as a

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balance to the organised economic power of the Guilds, and thus prevent society from falling a victim to the dangers of an undiluted industrial sovereignty—the Leviathan of an omnipotent Guild Congress, dominating all life from its golden throne. It will exist—as we shall further explain—to formulate and represent the view of the buyer and consumer of things, and will thus intervene in industrial affairs in an important, although essentially a secondary, capacity. And it will exist, further, to co-ordinate and express those common purposes and tasks of a nation which affect all its citizens "equally and in the same way": *e.g.*, the determination of its destiny in the world; its relation to other states; the protection of the lives of its members; the administration of justice; the determination of the ends (but not the means) of education. The State responds to an instinct to be found in nearly all men of Western culture for some organisation to link them with the history and traditions of the land in which they live, and to associate them with its fortunes in the future. The War has shown how even our industrial proletariat, stripped of honour and exiled from responsibility, will respond to the call of a country which, despite all the base and spurious patriotism of their master-class, they still feel to be essentially their own. How much more, then, will national sentiment represent when the State has thrown off its bondage to plutocracy for a free alliance with National Guilds! Short of International Communism—and we are very far short of it—there is not even the possibility, to say nothing of the desirability, of the disappearance of

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the State as the executive instrument of a nation. National Guildsmen would willingly wrest some of its present functions from the State—indeed, it is the propaganda of National Guilds which, more than any other set of ideas, has challenged and defeated Collectivism as an intellectual force—but we do not contemplate or desire the disappearance of the State organisation from its proper sphere. If Capitalism has temporarily captured the State, we need not—indeed, we must not—surrender to it this vital form of human grouping.

It is not difficult for the Guildsman to carry the war into the Syndicalists' country. Where, except in their own vocabulary, shall we find words strong enough to denounce the centralisation of function and the inevitable tyranny of the Industrial Council, which they would vest with the final authority of society? For industry to attempt to take over the control of the State is as intolerable as the attempt of the Collectivists to make the State the sole authority in industry. The Syndicalist State would be "simply the Collectivist State standing on its head, and just as tyrannical in that position as it would be right end up."[1]

We deny, then, the claim of the Syndicalists that the Guilds shall control the State; and we insist, on the contrary, that, while initiative must certainly lie with the Guilds, the State has the duty no less than the right to intervene in the industrial sphere. The

[1] Mr. J. L. Sabisten, in the *Guildsman*, October, 1917. Incidentally, it is to be noted that, despite the desperate efforts of the Syndicalists to eradicate the State, a very colourable imitation of it generally appears in Syndicalist schemes in the strange guise of a "Central Statistical Bureau."

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basis of the National Guild theory is that in industry and professional work the " how " is for the producer to determine, whereas the " what " is essentially a matter for the consumer. In this way only can there be established a balance of powers between the producing Guild and the outside world, which is the only sure safeguard against industrial tyranny. We need the producers' Guilds to save us from the consumers' Collectivist State, but it is also true that we need the protection of the State against the possible tyranny and probable incompetence of an unbalanced supreme Industrial Council.

The State as Representative of the Consumer

In stating thus dogmatically our view of the essential nature of the State and of its tasks in an emancipated society, we are aware that many Guildsmen would not subscribe to our precise formulation of the case against the Syndicalists. Guildsmen are united in affirming absolutely their faith in the State as a legitimate and essential organ of society ; they are united, further, in insisting that it should not be entrusted with the administration of production or permitted to interfere in the self-government of the Guilds. But outside these basic dogmas, which are the kernel of the Guild idea, there are differences—important and not easily reconcilable—amongst National Guildsmen in their theorising upon the function of the State. While some regard the principal apology for the State to lie in the fact that men instinctively desire it as the embodiment of national feeling and tradition, others, while convinced of the need for the State, regard

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nationalism in any form almost in the light of a superstition, destined to fade away with man's gradual progress towards a cosmopolitan solidarity. While some foresee the State of to-morrow as partner with the Guilds in a social sovereignty essentially divided, others, conversely, would regard it as the symbol of sovereignty allotting functions to associations appropriate to the proper discharge of them. Again, while some Guildsmen desire the State's intervention in industry as normal and necessary to the proper representation of the "consumer's" interest, others, while admitting that such intervention will have in certain circumstances to be provided for, would not countenance it save as an exceptional act, prompted, moreover, not by regard for the consumer's interest (which they conceive to be mainly imaginary in the case of a Guild community), but rather by considerations of "public policy."

Of these typical controversies, we propose to touch only upon the last, conceiving the other two to be outside our range in this volume. But we would take this opportunity of saying in regard to these debates amongst Guildsmen, and to others discussed in this chapter, that, far from deploring their existence, we rejoice that men united by the essential link of the Guild idea, with its repudiation of profiteering and its demand for industrial self-government, should have courage to prefer the frank exchange of differences to any mechanical uniformity of creed. Setting out upon the track of truth by devious routes, Guildsmen return to their common base with valuable discoveries of which they can

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make most useful exchange, even though time alone reveals the true lessons of the quest. It is only those who prefer catchwords to principles who have need to hunt in packs. The very differences in which Guildsmen can afford to indulge, reveal the strength of that bond of truth that is the Guild idea.

The discussion upon the relation of the State to the outlook of the consumer, which has recently engaged the attention of several Guild writers, is one of some complexity, and for a full understanding of it we must refer our readers to a study of the original sources.[1] We can only outline here a few of its more important aspects. The emergence of the controversy is reminiscent of the somewhat different paths by which writers on the Guilds have arrived at their solution of the industrial issue. Mr. S. G. Hobson, in his original *New Age* articles, was seeking above all to present National Guilds as the sole alternative to the wage-system consistent with the public interest. This solution appeared to him to have the double value that it put an end to the spiritual bondage of the worker, and, by entrusting industry to those who were essentially concerned with it, set at liberty not only the worker but the State also, which, released from the necessity of interfering to patch up the ravages of Capitalism, could devote itself to its true spiritual tasks. Mr. Cole, on the other hand, was concerned in *The World of Labour* rather to discover what truth lay in the Syndicalist claim to overthrow and replace Capitalism by the organisation of the producers;

[1] See the *New Age*, vol. xxii. *passim*, and many articles in the *Guildsman*; also *Self-government in Industry*, chapter ix.

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he found its flaw to consist in the fact that man as a user of things looks at matters from a point of view very different from that natural to him when he is making them. Accordingly, to Mr. Cole the sole validity of Collectivism lay in its reminder of the existence of the consumer, which, if overlooked altogether, involved the risk of industrial tyranny and confusion. Mr. Hobson was seeking to release statesmanship by subtracting industry from it; Mr. Cole was seeking to rationalise Syndicalism by adding the consumer's outlook to it. To the former, National Guilds would seem to arise from the discovery by the State that economics was none of its business, and its consequent decision to confide it to the workers who would purify it by the repudiation of the wage-system. To the latter, a community based on National Guilds would develop from the discovery by the emancipated Industrial Unionist that his organisation was not competent to represent every interest of society or even every economic function. Mr. Hobson's State called in the Guilds to rescue it from economics and the workers from wagery. Mr. Cole's State appeared as coming to the aid of a triumphant but bewildered Industrial Unionism, and setting out with the victorious workers to arrange the details of a social partnership between them.

The fact that Mr. Hobson was satisfied that no modification of industrial autonomy was necessary, save what public policy might occasionally dictate, suggests the reason why it did not occur to him to treat in his original articles certain subjects of cardinal importance to the co-ordination of economic

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life. Nothing was to be found there, for instance, to elucidate the question of how prices were to be fixed, or the Guildsman's pay apportioned as between Guild and Guild; and the relation of the State to industry was only very generally indicated, as in the following passage:

> Whilst the separation of the political and economic functions gives equipoise and stability to the State, nevertheless the policy and the destiny of the State, in the final analysis, depend upon its economic processes being healthy and equitable. For this reason amongst others, the State, acting in the interests of citizenship as distinct from Guild membership, must be adequately represented upon the governing bodies of the Guilds.[1]

It is clear that the provision here made is for the safeguarding of the public interest and not for the expression of the consumer's outlook; and this is consistent with the standpoint that Mr. Hobson has maintained in recent controversy.

In other quarters, however, Guild principles were being differently interpreted. It was held that, while the actual government of the Guild should be free from all interference from the State, nevertheless the intervention of the State and the municipality in industry was essential, as the normal and most obvious means by which the standpoint of those who purchase commodities and make use of services could express their views upon the nature and the cost of them. While the organisation of industry and service was entirely the concern of the Guilds, the public was interested both in the choice of commodities and services, and in the price of them. These being matters of public interest, public bodies

[1] *National Guilds*, pp. 258–9.

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would have occasion to discuss them with the Guilds, both nationally and locally, and State and municipal organisation would provide an appropriate medium for this.

To this Mr. Hobson has opposed strong objections. He has quarrelled with the description of "consumer" being indifferently applied to the purchasers of commodities and to those who enjoy public amenities and services. To apply the word thus indiscriminately obscures, he contends, an essential distinction, and, further, tends to blur the vital and basic fact of citizenship, with which alone the State is concerned.

> Citizen rights and consumer's interests are in different categories. To bring them under one denomination spells confusion of purpose and gratuitous friction between the State and the Guilds.[1]

Normally, Mr. Hobson continues, the representation of the mere consumer's outlook can be arranged inside the Guild organisation. Matters of public policy may arise, however, to demand the State's intervention—especially in respect of such services as transport and the Post Office. But even here State intervention would be the exception, not the rule.

> I would keep the State from any clash with the Guilds, except when public policy unites us as citizens against anti-social action on the part of any Guild or group of Guilds. Personally, I think any such contingency would be extremely remote.[2]

This rapid summary does scant justice to Mr.

[1] Mr. Hobson, in the *New Age*, February 7th, 1918, p. 285.
[2] *Ibid.*, January 24th, 1918, p. 247.

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Hobson's closely reasoned arguments,[1] but it must serve to illustrate the essentials of his point of view. Mr. Cole's reply reveals the curious fact that, while he is inflexibly hostile to Mr. Hobson's conception of the ultimate sovereign authority of the State as the sole interpreter of "public policy," he is no less determined in insisting on a far wider extension of State action than Mr. Hobson would admit. He refuses to assent to Mr. Hobson's sharp distinction between "consumer" and "enjoyer," since, he urges, however possible it may be to contrast the two in theory, in practice they so shade into each other that there are numerous instances in which it would be impossible to distinguish between a purely economic and a purely civil function.

> There is a civic element in all acts of use, consumption, or enjoyment; and, in a free society, this civic element would be far more prominent than to-day.[2]

Further, Mr. Cole denies that to insist on a distinction between the outlook of producer and consumer involves a belief in a conflict of *interests* between them, once the element of profiteering is eliminated.

The real point at issue becomes clearer if, for the ambiguous word "interests," with its inevitable suggestion of profiteering, we substitute the word "standpoints" or "attitudes." The *standpoints* of producer and consumer are differentiated, not as opposed, but as complementary.[3]

[1] We have made no reference, for instance, to his elaboration of Mr. W. Anderson's dictum that "The capitalist is the protagonist of the consumer." See *Guild Principles in War and Peace*, chapter xiii.
[2] Mr. Cole, in the *New Age*, December 6th, 1917, p. 109.
[3] *Ibid.*, December 6th, 1917, p. 110.

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The representation of demand necessitates quite separate organisation from that of supply; further, the co-ordination of the two cannot be accomplished without the constant interaction of associations representing each. To achieve this co-ordination, men organised as makers must co-operate with men organised as users. In practice, this means the conjunction, for probabl economic purposes, of thee Guilds (centrally and locally) with the State and the municipality.

It will be clear from both this and our foregoing chapter that we are more in agreement with Mr. Cole's attitude in this matter than with Mr. Hobson's. But the latter has done a valuable service in illustrating afresh how a free organisation of industry will essentially depend on the initiative of the producer; the intervention of the consumer in industry must in any case be secondary and subsidiary to the action of the Guild. It is necessary to provide an opportunity for the consumer to exercise his choice; but, even so, it is very largely the producer's initiative which is the principal factor, since it is the experience, the art, and the ingenuity of the man who makes things that dictate the alternatives between which the purchaser is able to exercise his choice. It is true (psychologically, at any rate) that in the majority of cases supply creates demand; the Guild will only need to know in general outline the sort of wants it will be expected to satisfy and their extent, to be able to put its best work in the task, free from the *arrière pensée* of profit or the temptation to appeal to the eye at the expense of the true canons of the craft concerned.

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We consider, however, that Mr. Cole has established what we take to be his main point, namely, that the outlook of the user does require to find expression in a form of organisation essentially separate from that in which the maker of things and the renderer of services are enrolled. While it may appear somewhat rash and doctrinaire to seek to outline in advance the means by which a society released from Capitalism would secure the co-ordination of its economic life, it is justifiable, we think, to be dogmatic upon the general principle enunciated above. The old objection that, since in a free society every producer will be also a consumer, there is no need to provide for their separate representation, is more specious than substantial. The illustration, almost equally old, of the different outlook of the same individual to-day as Trade Unionist on the one hand and Co-operator on the other, helps to demonstrate that no single form of representation can suffice to stand for every side of a man's activities, even in industry. The consumer does need further representation than can be provided for " inside the Guild organisation " ; the means by which this may be developed involves a brief consideration of the Guild organisation for distribution, and its relation to the Co-operative movement of to-day.

At the outset of this discussion it is necessary to emphasise one fact which, though it seems apparent enough when it is stated, is often lost sight of in this connection. The Distributive Guild (whose functions have already been outlined in the preceding chapter[1]), however close its connection with the

[1] See above, pp. 330–1.

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consumer, will, from the very fact of its being a Guild, be governed by its members who carry it on. This is not the case with the Co-operative movement; on the contrary, it offers perhaps the most striking example of control by consumers to be found to-day. As such, while essentially a workers' movement and at present developing an ever-closer connection with other democratic movements, it must inevitably come into eventual conflict with a Trade Unionism seeking to obtain a control of industry by the workers themselves. While Co-operation and Trade Unionism seek only to palliate the wage-system, it will not be impossible to effect an accommodation between them; but if they set out definitely to replace it, one of them will have gradually to yield to the other. The relation of an employee to the Co-operative Society that engages him is not fundamentally different from that of the ordinary worker to a capitalist firm which buys his labour-power.[1] If the Distributive Guild is to develop out of the Co-operative movement of to-day, it can only do so if the attitude of the committeeman to the employee alters from one of chilly patronage to one of generous partnership.

This conflict of interests between the consumer's outlook and the producer's demands is already exemplified, of course, in the disputes which constantly arise between the Co-operative Societies and the Trade Unions which cater for the workers employed by them. These disputes are by no means confined to wages—indeed, Co-operators seldom

[1] It has to be remembered, further, that, if Co-operative Societies do not, strictly speaking, make "profits," they do in the majority of cases aim at accumulating dividends.

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refuse to recognise the standard rate—they extend also to questions of discipline and management. Here the attitude of Co-operators is, for the most part, no more democratic than that of private employers. We quote the following from a private memorandum on the subject drawn up by one who knows the Co-operative movement thoroughly from close personal experience :

> It might be considered that the Co-operative movement, with its close relations with the working class, would be a suitable ground for experiments, at any rate, in *joint* control, and that such projects might be initiated by the management committee or the consumers. But anyone who knows the psychology of the average Co-operative committeeman, even if that committeeman be a Trade Unionist, will realise that the movement as it is at present controlled is the least likely place for voluntary experiments in this direction. . . . Broad-minded and keen Trade Unionists find more attractive spheres for their talents than the Co-operative Committee.

It seems clear, then, that the Distributive Guild cannot be directly developed out of the Co-operative Societies, but that it will arise rather from the pressure of an encroaching control from the Trade Unions in which Co-operative employees are organised, similar to the encroaching control of the Trade Unions upon the functions of the capitalist employer. But this demand for control, as it becomes articulate and defined among Co-operative employees, should be far more easily susceptible of adjustment to the claims of the present managers than where it is confronting a definitely profiteering interest and a governing caste. Especially should this be so in

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respect of the distributive, as opposed to the productive, aspect of Co-operation, on account of the necessarily close relation of distribution to the consumer. The share which the consumer now takes in the control of the distributive store under Co-operation must be very considerably modified before the workers reach the Distributive Guild; but it need not be eliminated altogether. Just as initiative now lies with the Co-operative Committee of Consumers, but a certain limited right of representation is sometimes permitted to the worker, so, in the Distributive Guild, initiative must pass to the producer, but the representation of the consumer will not altogether disappear.

It is of such representation, doubtless, that Mr. Hobson was thinking when he spoke of the possibility of providing for the consumer's outlook "inside the Guild organisation." He has suggested, for instance,[1] that

> Every consumer ought to be a member of this Guild by the payment of a nominal fee. Representation upon the local and central authorities of the Guild would, I suggest, derive from the business meetings of these consumers.

We shall see in a moment that, even if such representation be adequate to provide for the consumer's interests as an individual purchaser of goods—which would seem to be doubtful—it certainly does not exhaust the sphere in which the consumer's outlook must necessarily be considered. But, so far as goods (as opposed to services) are concerned, local initiative

[1] In the course of two interesting articles on "Distribution," forming part of a series on "Guilds and their Critics" in the *New Age* for February 28th and March 7th, 1918.

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is as essential to the purchaser as it is to the producer, if the evil of standardisation is to be avoided and a reasonable degree of flexibility secured. The point has been well brought out by Mr. W. N. Ewer in an article[1] from which we quote the following:

> What the individual as consumer requires is not so much that he should have a small and indirect share in determining what the nation as a whole shall produce, as that he shall have a large and direct share in determining what he himself shall be able to consume. He does not so much desire that his representatives shall assist in determining how many pairs of boots shall be produced in all England, as that they—or he—shall have a say in deciding what boots he himself can buy. He is concerned with pairs, not with millions of pairs. . . .
>
> If the individuals can effectively look after their pennyworths, the national pounds will look after themselves—with the aid of a certain amount of book-keeping.

When we pass, however, from the purchase of goods to the use of services, we pass also from the sphere of the Distributive Guild to a state of things in which the individual cannot hope so completely to indulge his personal preferences. Again the analogy of production is valuable in reminding us that the control of the local unit in the case of railways, for example, cannot be as complete as in the case of furniture; similarly, the consumers' interest cannot be individually expressed, but must be represented through centralised machinery. It is true that some services, such as public health, education, and road transport in as far as it is confined to localities, can be organised locally; but in

[1] "Concerning the Consumer," in the *Guildsman*, December, 1917, the first of a series continued in subsequent issues.

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these cases it would seem obvious that the outlook of those who use them would find its natural representation through the municipality, and not through direct representation on the Guild.

This representation of the buyer and the user with which we have been dealing does not exhaust the consumer's need for intervention in industry. It provides for choice; but it does not provide for co-ordination. As far as the first point is concerned, we are right to seek for as complete a decentralisation as the nature of the case allows; but when we come to the second aspect, it is centralisation that is above all necessary, since we are dealing with the interests not of any group of consumers, but of the consumers as a whole and as such. It is here, we think, that it will be found necessary to act through that Joint Committee of the Guild Congress and the State which we discussed in the foregoing chapter.[1] It will be the duty of this committee to decide what proportion of the nation's resources shall be devoted to the production of the various goods and services, a matter in which the consumer has clearly a right to be heard. This committee, as we have seen, will further have to concern itself with the matter of foreign trade, the provision of fresh capital for the development of existing industries and the launching of new ones, the settlement of taxation, and a part at any rate of the fixing of prices. However we define these tasks, whether as matters of "public policy" or as subjects for "economic co-ordination," they do require the joint consultation of the Guilds and the public authority. If that joint consultation

[1] See above, pp. 317–8.

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be not provided for, industry is likely to fall into confusion, and, as a result, society also. We must demand for the Guilds economic power, the fullest rights of self-government, and the initiative in every industrial function; but, when these have been secured, the workers can safely and naturally look upon the democratic State as a partner co-operating with them for the good of society and not as an alien authority to be suspected or deposed.

State Purchase and "Control"

The Syndicalist's challenge having led us to affirm our belief in the validity of the State and to examine its true nature and functions, it will be convenient at this point to discuss what the Guildsman's attitude should be in regard to the extension of State action and control to-day. Nor is there anything in the least academic about such a discussion at the present time, when the emergency of the War has precipitated the State into all sorts of functions and activities with which few but State Socialists had ever expected to find it concerned. There can be no question that this enlargement of bureaucratic action raises important issues for Guildsmen, and may even force them to define a policy on matters which, but a short while ago, seemed so far off as to justify only a superficial consideration. Amongst these may be counted the purchase of raw materials. An essential part of the employer's prerogative, it was not to be imagined that he would be induced to abandon this to the workers until Trade Union development had gone much further, both in economic strength and certainty of aim, than it has to-day.

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But the State has stepped in under compelling urgency and robbed many employers of all or part of this prerogative at a moment's notice. While in some cases allowing merchants to continue as buyers under its direction and with strict regard to the primacy of its own requirements, the State has in other instances entered the market itself through the medium of Government buyers. The raw material purchased, it has then been "rationed," the State as a rule entrusting the allocation of supplies to Boards representative of the employers concerned and, sometimes, of the workers also; but such allocation has, of course, only taken place after the needs of the State have been completely satisfied. While these drastic measures have been justified by the Government purely on the ground of their necessity in the prevailing emergency, and promises have been given that they will at the earliest opportunity be discontinued, it is by no means certain when the emergency will be at an end, or, at any rate, deemed to be so. There is little doubt that circumstances will dictate the maintenance of a large measure of State control for some time after the actual conclusion of the War.

It may be asked why Guildsmen should trouble themselves particularly to define their attitude to what are emergency measures, and measures, too, which are essentially matters of financial adjustment amongst the governing classes. We would reply, in the first place, that, if we were convinced that such emergency measures were of a kind to render the transition to the Guilds less difficult, we should press for their retention on their merits, not

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admitting the right of profiteers to injure the public interest more in normal times than is permitted to them in times of emergency. As far as the second point is concerned, we ought not to assume that, because an industrial function remains beyond the reach of the workers, it is a matter of indifference in whose hands it may be placed. The control of raw materials is a vital and essential part of industrial control, and it must ultimately pass under the authority of the Guilds. In the meantime, while the Trade Unions have as yet neither the will nor the organisation to assume this function, what Guildsmen have to consider is whether at a later stage it will be easier for the workers to subtract the control of raw materials from the employers or from the State.

Surprise may be expressed at our seeming to couple the State with the employers as a force antagonistic to the advancing claims of the workers. Why, it may be asked, should the State not be ready to devolve industrial functions upon the Unions, as soon as they prove themselves fitted to assume them, in the same way that the British Government is credited with acting in the case of its daughter nations? The question is naïve, and cynicism might dictate the reply that no Government—not even the British—abandons power of any kind until, in the face of overwhelming claims with organised force behind them, it finds it more politic to veil surrender in the form of a graceful concession. Without subscribing to so sweeping a generalisation, we can only suggest that for a Government permeated by capitalist conceptions to confer large

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instalments of power and authority upon bodies of workers, for no other reason than that they ask for them, is in flat contradiction to what either theory or experience would lead us to expect. *Economic* freedom, at any rate, does not broaden down amongst us from precedent to precedent, however slowly; it climbs painfully from one difficult achievement to the next. Until the circumstances of our society radically alter, the State is more likely to stand in the way of such achievements than to assist them.

That this should be so, is not due solely to the fact that the State is the servant of Capitalism; for, if this is nothing but the truth, it is not the whole truth. It results largely from the natural desire of all Governments to preserve the appearance of stability; and it is just this superficial stability—it can only be superficial until the class-struggle has issued either in slavery or emancipation—which the advance of Labour upon the preserves of Capitalism tends to threaten. In order to maintain it, the State will, as things are, often be thrown into alliance with the capitalist, rather by force of circumstances than as the result of any sinister conspiracy between the parties. The matter is becoming further complicated at the present day by the actual appearance of the capitalist, with his attendant train of satellites reared in an atmosphere of profiteering, in the very stronghold of bureaucracy. The modern industrial magnate may well exclaim, "*L'État, c'est moi!*" Even though he renounces his directorships, he does not renounce his creed. For these reasons, then, until the economic power of the workers has transformed out of all recognition the political character-

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istics of the State, we must reckon on it rather as an opponent than a champion of any development towards Guild control.

Even when this is admitted, however, it does not follow that State control of raw material is barren of any value from the Guild point of view. Anything which subtracts from the authority of the profiteer is valuable in preparing the atrophy of his functions[1]; and, though the State may be hostile to the emancipation of the worker in the circumstances of to-day, it is not so *of its nature*, as the capitalist is. In fighting the workers for the retention of its industrial prerogative, Capitalism will be fighting for its life; whereas the State, in resisting the advancing claims of the Trade Unions that are struggling towards their destiny as Guilds, will be doing so on the less compelling and very unconvincing ground of the "public interest." For these reasons, Guildsmen might advocate the transfer of the function of purchase to the State, wherever possible, with the full intention of pressing for its eventual surrender to the Guilds as soon as the workers grow strong enough to demand and, if need be, to enforce this.

The danger that some Guildsmen see in such a course is the creation of a strong, conscious, and, it might be, impregnable State Capitalism, in which the alliance of bureaucracy and capitalist, acting nominally in the public interest, would be formally arranged and confirmed. While not denying this danger, we think that there are several factors in the situation which make in an opposite direction. One is the instinctive dislike which the employer has of

[1] See above, chapter vii., pp. 286–7.

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bureaucratic control. So strong is this aversion amongst those employers who have at heart above all the efficiency of their businesses, which they find hampered and interfered with in a hundred ways by the incompetence and often callous indifference of the bureaucrat, that they may be led to prefer alliance even with the Red Flag of their own revolutionary workers rather than rescue from these by the forces of Red Tape, in which already they find themselves choked and strangled.

A further circumstance that would seem to suggest that the peril of State Capitalism may be somewhat exaggerated is the necessity under which the State finds itself even to-day of taking into consideration the workers themselves. An example is afforded by this very matter of the purchase of raw material. On the Boards by which the business of allocating supplies is undertaken the Trade Unions concerned have sometimes obtained representation, even to the extent of an equal proportion with the employers. This " joint control " of so essential a part of industrial management is a proposition far different from the illusory baits of a " share in the control " of production which we examined in our chapter on the proposals of Reconstruction; it may, indeed, be deemed a significant invasion of a sphere hitherto jealously guarded as a capitalist preserve. Even, so, however, it is sometimes urged that Labour, thus participating as a subordinate caste, gives a tacit consent to profiteering. There are, we know, Guildsmen who regard any sort of divided control between capitalist and worker as in the nature of a compromise with Guild principles. We

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shall examine their view later in this chapter; meanwhile, we would point out that, even if it be adopted as far as production, pure and simple, is concerned, it does not necessarily apply equally to other spheres of industry.

While it is, perhaps, too soon for Guildsmen to come to a final decision on the matter of State control over raw material, it is not too soon for them to begin seriously thinking about it.[1] But State control during War-time has not been confined to purchase; it has extended also to production, and has raised in a new and acute form the question of what attitude Guildsmen should take up to Nationalisation. To that question we shall now turn.

Nationalisation

"When you are ready to nationalise, we are ready to Guildise!"—this old maxim of the *New Age* sums up very aptly the standpoint of National Guildsmen towards nationalisation. Two main conclusions may be drawn: first, that nationalisation is not a matter of the first importance for Guildsmen; secondly, that Guildsmen are nevertheless prepared to take advantage of nationalisation, when it occurs, to advance their own work of developing the Guilds. For we must remember that nationalisation is not really a democratic device, although Socialists have for years advocated it as such; rather may it be regarded as the capitalists' last hope.

[1] It is important to realise that this problem is not an isolated one, but involves also the consideration of other developments of State action, the most obvious of which is State control over transport. This is the more urgent since, as the vast majority of our raw materials come from overseas, control over them to be complete must include control of shipping.

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Confronted with the risk of having their profits filched from them by the workers, the possessing classes will unload on the State. They will demand to be nationalised in order that their dividends may be guaranteed by the Government.[1]

The work of controlling an industry that is ripe for nationalisation, of maintaining its supply of labour, of disciplining, manipulating, and generally making use of the workers in it—all these tasks, when they become too difficult for the private employer, he may seek to devolve upon the State. As a result, the workers, in their struggle towards emancipation, will find themselves faced by all the strength and stubbornness of the Government Department which has taken the place of their previous employers. The workers, with their experience of State-owned and State-controlled enterprises, both national and municipal, have no reason to hope that nationalisation will bring them any substantial benefit or genuine improvement in status. To extract even a war bonus from a Government Department has proved a considerable task for the State employee, and this has doubtless proved an instructive experience—if any more were needed by the workers concerned—of the blessings of State administration.[2]

Yet, from the Guildsman's point of view, even if nationalisation represents nothing good in itself, it may nevertheless create a weak place in the armour

[1] *Self-government in Industry*, p. 220.

[2] It is interesting in this connection to observe that nowhere has the reaction amongst the workers against Collectivism gone further than in the case of the Post Office employees, with the consequent development of a strong movement towards producers' control.

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of the wage-system into which his weapons could find good occasion to penetrate. Under private Capitalism the workers are liable to be detached from their class by the " benevolent employer," who, by securing to his human beasts of burden agreeable and unusually advantageous compounds and comforts, is able to induce them to surrender all thoughts of a rise in status and responsibility. Not so the State; the bureaucrat never displays " benevolence " until the time for it is past, and it appears to the workers as only a confession of weakness—as, indeed, it is. It is not a very daring forecast, and we feel we are safe in assuming that the bureaucrat of the future, placed at the head of a nationalised industry, will prove no less stupid and irritating than he is to-day in his restricted sphere at the head of a " controlled " one.

The first advantage, then, the Guildsman may snatch from nationalisation is that the bureaucrat is certain to sting the workers to a sense of the absurdity and injustice of a system which places such a man in charge of their industry. This may prove especially the case with highly placed members of the salariat who are thrown into frequent contact with him. The second reason we have for looking forward with some degree of confidence to the results of nationalisation upon the psychology of the workers is that it involves unity of control; and a unity of external control tends invariably to produce a unity of the workers in their struggle towards control. It is, indeed, in the nationalised and semi-nationalised industries and services in all industrial countries that the workers' claim for control is most clearly

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recognised and expressed, as, for example, in the postal services, on the railways, and in the mines.

Nothing tends so greatly to promote the idea of control as unified management. Where an industry is split up among a number of wholly or almost wholly separate managements acting on different principles and with very little co-ordination, the twin demands for recognition and control cannot so easily be made as where a whole industry is gathered up under one supreme direction. For . . . with divided management Trade Union activity tends to be concentrated on the attempt to bring the worse employers up to the level of those who are better. . . . Where questions of discipline or management arise, they are usually in this type of industry questions affecting [only] a single management.[1]

We have seen, then, two ways in which the nationalisation of an industry may react upon those engaged in it with results favourable to the development of a Guild spirit amongst them. By the introduction of bureaucratic control, it removes all danger of the " personal touch " of the benevolent employer creating for the workers a false allegiance, and, at the same time, it awakens the demand for producers' control by establishing the impersonal, irritating, and almost certainly incompetent administration of the Government official. Secondly, by providing a completely unified management, it is likely to prove valuable in developing a unified organisation of the workers to cope with it. There is also a third way in which nationalisation may indirectly be of service in stimulating the Guild idea. The worker, finding himself an employee in the

[1] *Self-government in Industry*, p. 209. The whole of chapter vii. of Mr. Cole's book, dealing with " State Ownership and Control," is of the greatest interest.

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nation's service, may be expected to reflect upon the status that a national servant has the right to demand. As long as he remained the tool of the capitalist, the wage-slave might have felt his status, degraded as it was, to be natural enough. But, enlisted directly in the service of his country, the worker will be likely to demand a rôle more appropriate to his altered circumstances. Serfdom is consistent enough with profiteering; but partnership is the only honourable condition for the worker in the national service.

Thus, while Guildsmen have no reason to throw themselves into the task of promoting nationalisation—which may just as well prove a step in the direction of the Servile State as a move towards the Guilds—there is every reason for them to take advantage of the undoubted weaknesses it exposes in the system we aim at destroying. If the capitalist, by selling out to the State, thinks that he is parrying the thrust of the workers for self-government, he must be shown that he is parrying quart while they are thrusting tierce. Mr. Cole has excellently summed up the position of Guildsmen in this respect, and we shall not attempt to improve upon his words.[1]

> The nationalisation, therefore, which capitalists will bring about in order to save their dividends, and reformers urge upon us in the interests of social peace, we may accept, at least in certain industries, because we believe that it will bring, not peace, but a sword! . . . For Guildsmen, the whole question should appear secondary. Their first business is to forward the idea of working-class control of industry. Whether control has to be wrested

[1] *Self-government in Industry*, p. 216 ff.

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from the State or from the private capitalist is irrelevant. . . . In season and out of season, Guildsmen should be preaching control; and when nationalisation is suggested, they ought not to oppose it; they ought to redouble their efforts and reiterate their original demands.

"When *you* are ready to nationalise, *we* are ready to Guildise!" It would seem, however, that not only are the Trade Unions as yet far from ready to "Guildise," but the State, too, for all its striking increase of authority and intervention in the industrial sphere, is not ready to nationalise. The War expedient of "State control" over vital industries would seem to be not so much a step towards nationalisation as a substitute for it. The capitalist is told to "carry on," as long as he does so with a not too flagrant disregard of the requirements of the public interest. The bureaucrat dictates to the capitalist's nominee (like the "brass hat" to the regimental officer), but he does not take the other's place in the line. It is possible, however, that in some cases the economic pressure to which the State, with its huge burden of debt, will find itself subject after the War may induce it to embark upon profiteering on its own account.[1] If so, we are likely to be afforded an illustration of a truth too often forgotten, namely, that nationalisation is not equivalent to a true socialisation, by which the State, as representative of the community, proceeds to the extinction of surplus value. Nationalisation would probably result in a sharing of the spoils of profiteering between the Government and the capitalists. The

[1] A recent slip made in the House of Commons by a member of the Government in speaking of "the interests of the *company*," when he intended to refer to those of the *country*, would then become as justifiable as it is now natural to the governing-class mind.

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actual expropriation of the latter is quite another thing; and this problem we have now to consider.

The Basis of Expropriation

Nationalisation, of course, offers society an excellent opportunity, if it be willing to take it, to set about the expropriation of the capitalist class. Heavy taxation, in the form of steeply graduated income taxes and death and estate duties, would directly hit the class that had recovered its financial position by unloading its tottering industries upon the State. In the case, too, of new private capitalist concerns that involve Government or municipal sanction—such as railways and tramways—it would be well if the concession were granted only on a lease and if, at the end of a stated time, the enterprise became automatically and without compensation the property of the community.

We must not forget that expropriation is rather a problem for society as a whole than a purely Guild one, since the State and not the Guilds must carry it out. But the Guildsman has a unique clue to the conduct of expropriation in his repudiation of the wage-system. By an application of the Guildsman's proposals it becomes possible to establish a reasonable basis for the compensation to be paid to the expropriated capitalists. In a recent and interesting article in the *New Age*[1] Mr. S. G. Hobson has pointed out the absurdity of accepting, as the basis of the compensation to be paid by the State, the current balance-sheet of a company whose plant might be taken over

[1] "Claim and Counterclaim," August 30th, 1917.

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by a Guild. These balance-sheets are drawn up on the " permanent hypothesis " that the wage-system is in force and will continue to be in force ; it is assumed that the labour-market is still open for the company to hire its hands in. But we must remember that the first condition of the foundation of a Guild in any industry is that the workers therein shall have established the monopoly of their labour and refused to enter the labour-market, but, instead, are offering, as a self-governing association of workers, to co-operate with the State in the running of the industry. It is clear, then, that the company in question is unjustified in calculating the value of its assets upon the destroyed " hypothesis " of wages. To quote Mr. Hobson[1] :

The essential point to be noted is that Labour must not be compelled to compensate somebody else for the value of the labour monopoly it has legitimately secured for itself. In other words, the commercial value of the control of labour, now implied in every commercial balance-sheet, and based on the commodity theory [of labour] can no longer be reckoned as an asset. For the balance-sheet is drawn up on an agreed understanding that the business is a going concern. But how can it " go," as a commercial enterprise, unless it can buy the labour commodity at the current price ? Further, it is only to the extent that the business can be dovetailed into the triumphant Guild that it has any real value, to say nothing of commercial value, for which consideration could be claimed.

It is upon this " real value," as distinct from the artificial commercial value, that compensation should be based. But what is the way to arrive

[1] *Ibid.*

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at this real value? Mr. Hobson answers this clearly:

> The real value inhering in material (buildings, machinery, railways, ships, or what not) is precisely what the labour monopoly—the Guild—sets upon it as a saving of time and effort in lieu of creating its substitute. What Labour has made, it can make again.[1]

Mr. Hobson's proposals are certainly most suggestive in providing a basis on which expropriation might be justly and reasonably conducted. But no cut-and-dried scheme can actually provide in advance for meeting all the circumstances of a situation which cannot possibly be foreseen with any exactness. Much will depend on whether the final release of society from the burden of profiteering comes at the end of an ordered development towards a Guild society, or if it is only achieved as the result of a bitter and, perhaps, a violent struggle. In any event, we may point out that it is not in any way to the interest of the mass of those who have won their way to emancipation to be ungenerous to those they have dispossessed. Even if we are not prepared to credit the victorious workers (of every class, be it remembered) with a sense of common fairness to those whom they will have expropriated, we may assume in them at least a measure of common sense. And common sense will certainly suggest that it is far better to conciliate the newly dispossessed than to excite them by harsh treatment to revolt against the new order. Any consideration of this subject is of necessity somewhat academic, and bears with it a "catastrophic" impression. But there is no

[1] *Ibid.*

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inherent difficulty in the problem of a just compensation to the capitalist forced by society to abdicate his alien dominion. Guildsmen have generally suggested a system of terminable annuities extending over two generations, and it can hardly be contended that such a proposal is unreasonably harsh. If, like Matilda's aunt in Mr. Belloc's poem,

> They have to pay
> To get the men to go away,

a little judicious outlay by the mass of society in facilitating the departure of the defeated profiteer will be money well spent.

Political Action

But of all the questions of policy in relation to the State which the Guildsman has to decide, none is more important than that of the sphere of political action. It would perhaps avoid confusion if at the outset we substituted the word "Parliamentary" for "political," since it is in connection with action through Parliament and not with Politics in its widest sense that the problem really arises. The formulation of the Guild idea took place at a moment when disgust and disillusion with progressive politics were prevalent in revolutionary circles, and the earlier articles and comments of Guild Socialists, as they then styled themselves, reflected the Syndicalist criticism appearing elsewhere. English "Reformist" Socialists were denounced, not only for their blindness to the fact of the wage-system, but for the result of that blindness—their reliance on a political weapon with which to assault

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an economic foe. The articles which appeared in the *New Age* during 1912–13, and formed the basis of the volume *National Guilds*, return again and again to the elaboration of their original text: *Economic power precedes political power.*[1] The history of the Labour Party was repeatedly drawn upon to illustrate the truth of this dictum, often with very telling effect; and the successes of the strike movement, which were becoming at that time widespread, were contrasted with the placid impotence of the Labour members in the House of Commons. A few sentences from these articles will serve best to make clear their criticism of Parliamentary action as a cure for economic disease.

The central argument of all this body of doctrine is plainly this: that economic methods are essential to the achievement of economic emancipation; that political methods are not only useless but actually harmful, because all political action follows and does not precede economic action; that economic power is the substance, and political power its shadow or reflection. Labour, therefore, in seeking first the conquest of political power, is grasping at the shadow and leaving the substance.

Again:

The medicine-men of the Labour Party . . . do not face the evils obviously arising out of the wage-system and tell their patients that these diseases must continue so long as the wage-system continues. They drug the symptoms and leave the cause severely alone. They prescribe political pills for economic earthquakes; they put political salve on the economic cancer. When we remember all the human effort, emotion, faith, and sacrifice that have gone to the upbuilding of the Labour

[1] So familiar did this phrase become that it was eventually reduced to a formula—E.P.P.P.P.P.!

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Party, is not the result a mockery, a scandal, a tragedy?[1]

There was nothing essentially new about such an attitude. Nearly thirty years before this, William Morris—the greatest name in English Socialism—had protested against the delusions which were already gaining a hold on the Labour movement about the revolutionary possibilities of Parliamentary action. For example, in 1885 he wrote:

> The real business of Socialists is to impress on the workers that they are a class, whereas they ought to be society. If we mix up ourselves with Parliament, we shall confuse and dull this fact in people's minds instead of making it clear and intensifying it.

And a few years later, in the course of a private letter,[2] he said:

> The business of a statesman is to balance the greed and fears of the proprietary class against the necessities and demands of the working class. This is a sorry business, and leads to all kinds of trickery and evasion, so that it is more than doubtful whether a statesman can be a moderately honest man.

Morris was speaking of political action as a means of revolution for Socialists generally; but for the Guildsman this does not constitute the whole problem, or even the most essential part of it. The question for him is not merely whether some degree of Parliamentary action may not be necessary in hastening the transition to a Guild society—and, if so, how much—but the more immediate problem how such action should be organised. *Is political*

[1] *National Guilds*, p. 71.
[2] Quoted in *William Morris*, by Mrs. Townshend (Fabian Biographical Series), p. 19.

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action a necessary or even a desirable function of those Trade Unions by which the emancipation of the workers must be mainly won? It is on this point, rather than on the wider issue, that Guildsmen have tended to disagree. Before considering it further we shall quote the following from a Statement of the Italian Syndicalists[1]; it forms part of a long indictment of the faults and failures of "Reformist Trade Unionism":

POLITICALISM: The Trade Union organisation is dependent on or at least in constant communication with the so-called Socialist Party and follows its fortunes, exacting from its members a profession of political faith which gives rise not infrequently to discord and division. As a consequence there arises an infatuated belief in Parliament, which produces dangerous illusions and weakens the fighting spirit. This attitude of mind, by robbing the proletariat of faith in its own strength, leads it to build its hopes on outside influence and to aim, not at victory boldly attempted, but at those compromises which are the trade of politicians. This constitutes an inevitable danger and a very grave one, especially in a democracy.

We have already seen in an earlier chapter how the Collectivist policy in regard to our British Trade Unions has carefully fostered this "infatuated belief in Parliament," and thus "robbed the proletariat of faith in its own strength." We have seen, too, the essential limitations of Parliamentary action in bringing about the transition to the Guilds and

[1] *Report and Proposed Constitution approved by the National Congress of Direct Action, held at Modena, November*, 1912 (Tipografia Camerale, Parma). For the opportunity to quote passages from this interesting document we are indebted to Mrs. Townshend, who has lent us her translation.

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the danger of Labour's "building its hopes on outside influences." We do not believe that many Guildsmen will quarrel with what we have written on these points; should we, however, go on to suggest that political action by Trade Unions *as such* is dangerous and undesirable, differences would certainly arise. We should be told of the "great victories" won by the Trade Unions in the past through Parliamentary action; we should be reminded of the number of directors, representing limited companies, who sit in the House of Commons, and asked whether their influence should not be balanced as far as possible by representatives of Trade Unions; and we should also be requested to state where else than in the Trade Unions could be found the funds and the organisation necessary to obtain a Socialist majority in Parliament.

To debate this issue comprehensively would require far more space than is here available, and we can only set down, without fully developing them, a few of the arguments which lead us to the conclusion that Guildsmen would be mistaken in encouraging the Trade Unions to regard political action as one of their essential activities. Let us repeat once more that we are not opposing political action as such. We have seen in our chapter on the transition to the Guilds how important such action may become at a later stage of the class-struggle; nor are we disposed to deny its importance to-day. We would explain further that we do not deny, if the Trade Unions seek through Parliamentary action the amelioration (and not the overthrow) of the wage-system, they may attain a limited success.

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What we are contesting is the doctrine that Parliamentary action is a legitimate function of Trade Unionism and valuable as a means of ending the wage-system and hastening the advent of National Guilds.

In the first place, we assert definitely that the intervention of such sectional industrial bodies as Trade Unions in the sphere of Parliament is wrong in principle. The House of Commons exists, theoretically at any rate, to represent the outlook of men as citizens, not as industrialists—whether exploiters or exploited. Nor can we admit that in this instance two blacks make a white, and that the abuse of their representative character by capitalist M.P.'s justifies Labour in condoning an evil example by following it. Moreover, it must be conceded that the representatives of profiteering interests only represent those interests incidentally and are not directly responsible to the employers' associations concerned. It is important that Guildsmen, who found their case very largely upon the necessary separation of functions between the State and the industrial authority, should not do anything to encourage tendencies which can only confuse these functions, and postpone the building of a true social structure. It is dangerous, both to the State and to the Trade Unions themselves, that organisations with a definitely sectional purpose and interest should interfere as corporations with problems that are the concern of the nation as a whole.

It is dangerous, we repeat, to Trade Unionists themselves, for it stands in the way of their attaining the outlook of true citizenship, and confines them

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to participation in national affairs in the capacity of subordinate industrialists. Such a rôle is really a servile one; for Labour to accept it and organise in accordance with it is, in fact, a surrender to the ideology of the capitalist class. The Labour Party in the past has been based on a servile philosophy and has encouraged a servile morale; if evidence of this is needed, it is afforded by the recently debated proposals for a radical alteration of the Party's constitution. It is beginning to be recognised, even by Labour politicians, that the political organisation of the manual worker as a caste apart forms a very dubious basis for a free social democracy. Class-consciousness in industrial issues is all very well; the workers are exiled from their rightful inheritance in industry, and must unite to recover it from their oppressors. But class-consciousness in politics is really caste-consciousness, since it involves a surrender of the rights of free and equal citizenship which Labour already enjoys, nominally at least, and tends to cut off the workers from participation in those common national decisions and purposes in which they have both the right and the duty to share.

In saying this, however, we are alive to the distinction between active and passive citizenship which the existence of the wage-system creates in a community of nominal equals. Indeed, just because we are alive to this, we are insistent that Labour shall seek to abolish the "passivity" and not to surrender the citizenship. Indulgence by Trade Unionists as such in Parliamentary dissipations has only served to imperil their citizenship while

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confirming their economic passivity. It has obscured the vital truth that for the workers, as workers, their emancipation is an economic issue requiring to be achieved by economic weapons and industrial organisation. It will not be won by Parliamentary victories, however dazzling; nor can Guildsmen applaud the spectacle—as ineffectual generally as it is undignified always—of Trade Unionists pleading in the House of Commons on behalf of their organisations for paltry tips and privileges. The political method was well enough for the Collectivist, careless, when he was not contemptuous, of the initiative of the worker and well content with "instalments" of State Socialism (wherein the State was far more obvious than the Socialism). But the Guildsman is intent on nothing less than the abolition of the wage-system, and he knows that "*Guild* Socialism," at any rate, cannot be victorious by Parliamentary vote.

Even if political action was both a legitimate and a desirable function of Trade Unionism, the further question would remain whether it was the best way in which to expend the limited resources of energy and enthusiasm, no less than of money, which the Labour movement has at its disposal. These resources are too precious to be squandered, and there is only too much evidence to show that, when the attention of a Trade Union is concentrated upon a political experiment, the essential work of industrial organisation is apt to be neglected. We have seen that the confusion in the industrial sphere is serious enough to-day. It was many times worse ten years ago, when the energies of Labour had been

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for long devoted to political objects and the economic power remained unaccumulated, which alone could back the political cheques drawn so confidently by the Labour leaders. The Trade Union that turns itself into a mere voting-machine for the election to Parliament of its general secretary may derive a certain reflected glory from his success, but this is hardly a substantial compensation for the neglect by its principal officer of his proper work. These official leaders of Labour to-day who are not merely tools or talkers are almost all to be found outside the House of Commons; the fact that the majority even of these are ambitious to enter it shows only how the superstition of a Parliamentary career still exercises its spell over the workers at a time when almost everyone else has ceased to be impressed by it. No doubt electioneering is more exciting than organising, than educating or even agitating; *La Belle Dame sans Merci* of politics will long have many of the more impatient of Labour's champions in thrall. But the young men of the future who will be active, enthusiastic, and clear-headed enough to build up out of their Trade Unions the framework of the Guilds, will not be so many that they can be spared for political wire-pulling. From the standpoint of the most economical use of Labour's "manpower," if from no other, politics is a luxury in which the working class cannot afford to plunge too deeply.

Perhaps, however, the gravest objection to the attempted use of Trade Unionism as a political weapon lies in the danger of thereby dividing the workers in the very process of attempting to unite

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them. Brigaded in an industrial organisation which must ultimately recognise either slavery or freedom as its goal, they can unite round the issues of their industrial life, which affect them all in much the same way and of which they have much the same experience. But men thus uniting for industrial purposes and groping towards a common economic aim—their emancipation from the wage-system—may, and will, legitimately differ on a dozen questions of general politics. We have seen how the issues raised by the War may imperil the unity of the workers' political organisations; there is no reason why such political differences should affect their industrial unity—nor have they seriously affected it. Unity is essential to the workers as workers; as citizens, it is as natural as it is legitimate that they should disagree. For illustration of this point we quote once more from the Statement of the Italian Syndicalists[1]:

POLITICAL NEUTRALITY: In the same way and for the same reasons which require that the organisation should be free from all religious bias, we require that it should be free from all political bias. Trade Unionism cannot be either Catholic, Socialist, Republican, or Anarchist, under pain of acquiring the characteristics of a Church or a faction, of resigning its own essential character and its own ends, of giving occasion to industrial discord, and of serving interests that are not specifically proletarian, while accustoming the worker to put confidence in outside influences. . . . The proletariat must learn that they will have just what they can get by fighting, and they must ask nothing from anyone except from their own will and their own united action.

[1] See above, p. 385, n.

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This political neutrality does not at all mean that Trade Unionism is indifferent to social ideals, and still less does it imply any restraint on Trade Union members which would hinder them from belonging to any party they choose.

Let it be understood, then, that we are not opposing political action, nor denying that democratic influence in Parliament may prove necessary for the emancipation of society. Nor again are we suggesting that the workers should abstain from any share or interest in politics. We believe, on the contrary, that they should exercise fully their rights as citizens; what we are insisting upon is that they should not confuse their political rights with their industrial organisations. To avoid such a confusion seems to us essential from the standpoint of National Guilds. For ourselves, we should be inclined further to suggest that, on grounds of expediency, the attempt to divert the energy of the workers into political channels with a view to obtaining a Parliamentary victory, whether in the name of "Socialism" or otherwise, is at least premature, and, even if successfully achieved, would prove ineffectual. A Guild society has to be built up by the workers, before Parliament, with the best will in the world, can recognise its existence. This does not mean that Parliament is impotent in the matter; we have seen how much it could do by a true policy of nationalisation to cast out the devil of profiteering. But it is the economic power of a labour monopoly and an industrial organisation capable of replacing Capitalism which alone will guarantee that a Parliamentary programme of

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nationalisation shall result in a genuine socialisation, and not in a counterfeit conspiracy of profiteer and bureaucrat.

However, since the principal efforts of Parliament to-day are directed rather towards the extinction of liberty than its promotion, what is needed in the House of Commons is a group of absolutely disinterested and tireless persons, not so much to propose legislation as to expose it. By dragging into the light of day the corrupt and servile motives which lie behind so much that is put forward in the name of reform, they will be enabled in many instances not only to frustrate the tactics of servile statesmen, but to open the eyes of the innocent to what is afoot. Such exposures and criticism are not likely to be best performed by Trade Union representatives, thinking more of the effect of legislation upon the sectional interests of their own industry than of its effect upon society as a whole. Indeed, the keener and more enterprising these Labour men may be, the more urgently are their activities needed in the industrial sphere; for the Trade Unions would do well now to set about making up the leeway in the industrial sphere for which their twenty years of devotion to the will-o'-the-wisp of politicalism have been so largely responsible. The thankless task of acting in Parliament as sharpshooters in the defence of Freedom may better be entrusted for the time being to those members of society with the courage and independence for it, who, drawn perhaps mainly from the middle classes, are less likely than working men to be hypnotised by the unaccustomed suavity of governing-class Parliamentary spokesmen.

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Mr. Penty and the "Local Guildsmen"

We have been led, then, from our consideration of the true function of the State, not only to affirm its essential value in opposition to the iconoclasts of Industrial Unionism, but to discover many directions in which State action may make easier the establishment of National Guilds. For it is a fallacy to suppose that every manifestation of State activity must necessarily lead society in a Collectivist direction.

> Whether Governmental interference with industry is to be regarded as Collectivist or not, all depends upon the nature of the interference itself. If its aim be to take the direction of industry out of private hands and to place it in the hands of officials, then it is Collectivist; but if, on the contrary, its aim be to protect the public or the workers against capitalist abuses, then the State is merely resuming functions which in the Middle Ages were performed by the Guilds, and which in the future will be performed by the revived Guilds. Once embarked upon a policy of regulating prices the State will, as the system extends, find itself compelled to seek the recreation of the Guilds in order to give practical effect to its intentions.[1]

We have not space to discuss the particular verdict contained in the final sentence of the passage quoted, namely, that the fixation of prices is a path to the Guilds, but we have need to discuss the general position of its author, Mr. A. J. Penty. To this writer, indeed, all Guildsmen are under a special obligation, however little they may be conscious of it; for it was Mr. Penty who, by the publication of

[1] *Old Worlds for New*, by Arthur J. Penty, pp. 10, 11.

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his book, the *Restoration of the Guild System*, a dozen years ago, challenged the sway of Collectivism, then almost absolute in would-be revolutionary circles But the Guild idea as first formulated by Mr. Penty was different, in origin and intention, from the development which has followed upon it. Mr. Penty did not propose the organisation of the great industries into National Guilds ; he urged their break-up by the repudiation of Industrialism and the establishment of Local Guilds, in which the worker would find emancipation from bondage to the machine and would realise freedom in the escape from the tyranny of large-scale organisation.

Mr. Penty's challenge was essentially a criticism of Fabian Collectivism with its blindness and callousness to the outlook of the producer. But when social students and writers, equally hostile to Fabianism, began to apply the Guild idea to the problem of economic exploitation, and proposed the overthrow of the wage-system by a national reconstruction of industry along Guild lines, Mr. Penty found himself in some degree in opposition to them also. For him the enemy was not Capitalism, but Industrialism itself, of which both capitalist and wage-worker alike were evil but inevitable symptoms. While Industrialism prevailed, the restoration of the Guilds was not to be hoped for ; nor was its overthrow to be expected at the hands of its proletarian victims— " simply demoralised men, who are thankful for a meal." Unless society should decide soon to put back the clock of Industrialism, as, for instance, by the revival of agriculture and handicrafts, there must follow an economic catastrophe, since every

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canon of social health is being increasingly violated by our industrial development, and this rake's progress can only end in disaster. Yet even such a disaster may prove a blessing in the end, since out of the ruin of Industrialism a new social order might arise, founded on local initiative and the revival of the crafts.

Such, in the broadest outline, was the argument of a series of articles of singular originality and insight, which appeared in the *Daily Herald* in the months preceding the War, and were, indeed, brought to a premature conclusion by this catastrophe, which their analysis of over-production had partly foreshadowed.[1] We can only concern ourselves here with that part of Mr. Penty's case which involves him in a criticism of the attitude of National Guildsmen, a criticism, let us say at once, of the utmost importance and value, and one which they cannot afford to ignore. Confronted as they rightly and necessarily are with the immediate issues of industry, it is natural that National Guildsmen should sometimes lose their grip upon those ultimate truths and values for the realisation of which emancipation is but an instrument and even self-government largely a means. Of such truths and values Mr. Penty, the prophet of the Guild idea, is at hand to remind its scribes and warriors.

A single quotation must suffice to sum up Mr. Penty's position; the extract which we append is typical of many others.

[1] These articles have since been reprinted in book form under the suggestive title *Old Worlds for New*. Since it is impossible in any summary to do justice to their argument, the reader is earnestly recommended to study the book for himself.

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It is impossible to superimpose Guild organisation upon the existing activities [of industry]. The desire for profits, the division of labour, and misapplication of machinery have introduced such a measure of confusion and such a host of parasitic trades that, as it exists to-day, industry is incapable of organisation except upon a capitalist basis. So long as it remains as it is the capitalist will inevitably remain master of the position, because industry to-day has no organic structure apart from his activities. . . .

In these circumstances it will be necessary, before taking measures to restore the Guilds, to bring industry back to a healthy and normal state.[1]

Thus, in 1914, Mr. Penty denied that any frontal attack on the evils of capitalist Industrialism, such as National Guildsmen proposed, could be of any avail. National Guilds were not only inadequate as an alternative to Local Guilds; they were useless even if regarded as forerunners of them. On this point Mr. Penty has completely changed his opinion; he is now a warm supporter of the National Guilds propaganda as the best means to the realisation of his ideals, since

Once the workers find themselves in the possession of industry, the fundamental contradictions which underlie industrialism will demand a solution, and that demand will set us on the road to Local Guilds.[2]

This suggests the view which National Guildsmen had on more than one occasion sought to urge upon Mr. Penty, namely, that emancipation from the wage-system is a necessary preliminary to a reconsideration of the problem of Industrialism by the

[1] *Old Worlds for New*, p. 103.
[2] *Op. cit.*, Preface, p. 9.

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workers themselves. But Mr. Penty's conversion from his former " impossibilist " attitude is not, he explains, due to these arguments, but to the lessons of the War :

> Hitherto I had supposed that society was to be reconstructed by peaceable means—at any rate under the normal conditions which peace presupposes. . . . But the War has altered the factors of the problem. Capitalism no longer appears impregnable. Indeed, I feel the War by its reactions will break it up, and in all probability precipitate a revolution. In this light the National Guild propaganda acquires a new significance. The fact of the War has brought it within the range of practical politics, for what was impossible in times of peace may be possible in a time of revolution.[1]

The passage is somewhat vague, and Mr. Penty does not explain precisely why he " feels " that the War will precipitate a revolution. Nor does he explain at all what share he imagines that the worker will take in such a revolution : whether he will initiate it, whether he will dominate it, or whether he will be whirled along by the tempest together with the rest of society. And here we touch upon one of the weakest and strangest elements in Mr. Penty's position—his indifference to the rôle of the worker in the issues of modern society. Mr. Penty, it is true, shows himself keenly alive to the personal factor in the problem, while he is criticising the way in which capitalist Industrialism and its Fabian palliatives alike distort and degrade the nature of man. But he never turns to consider what steps the will and the manhood of the worker may, and do,

[1] *Ibid.*

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incite him to take in reply to the tyranny by which he is enslaved. Possibly the struggles of the worker caught in the net of Industrialism seem to Mr. Penty so feeble and pathetic that he deliberately averts his gaze from them. But, if so, he is wrong; for his failure to take due account of the factor of human will and the forces which it may organise and command too often betrays Mr. Penty into dubious deductions of the inevitable catastrophe of Capitalism, and into a more than Marxian fatalism. He sets out to prove to us how the Collectivists in their attempted reform of industrial tyranny fail to take the normal potentialities and desires of the worker into account; but, when the means of opposing that tyranny is in question, Mr. Penty shows himself almost equally oblivious to the workers' potentialities and desires.

A striking example of this is Mr. Penty's seeming unconsciousness of the significance of Trade Unionism. Far from taking it as the basis for any restoration of the Guild system, he appears to decide to ignore it altogether, and to look to Guilds being formed without any reference to the great democratic associations in which, however feebly and spasmodically, the struggle against Capitalism has so far been carried on. National Guildsmen found their ideal upon abstract principles, but equally they take their stand upon a fact—the industrial organisations which the workers have created for themselves and in which alone they will be able to achieve the reality of freedom. Trade Unionism provides the lever by which the workers can overturn capitalist organisation and at the same time replace

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it by organs of their own. When they have put themselves in a position to command their own industrial destiny, they will be able to decide for themselves the scale of production, the size of their unit of organisation, and the sphere of the machine. But before they can set about to cope with this whole problem of Industrialism they have first to be victorious over the power which now moulds Industrialism—and Industrialists—to its own purposes. Before men can cease to serve machines, they must cease to serve as machines. Before men can put their souls into their work, they must be able to call their souls their own.

The National Guildsman, then, does not necessarily —as Mr. Penty suggests—" accept Industrialism " because he accepts his share in the industrial battle which is already joined and does not retire to a distant part of the field to shout a private defiance at an impalpable foe. Though he perceives the perils of Industrialism, and recognises that society will have to face them before it can be assured of true health and happiness, he perceives also a certain danger in substituting Industrialism for Capitalism as the workers' immediate enemy to-day. " Industrialism " sounds as impersonal as Fate and as irresistible ; while " Capitalism " is apt to remind the worker of the capitalist and of the personal servitude to profiteering by which he is both robbed and dishonoured. The governing classes will, no doubt, be glad enough to throw upon an abstract " Industrialism " the responsibility for having brought upon society the despiritualisation of Labour and the degradation of the masses. But this is a burden

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they must not be allowed to shift so easily; for Labour will only recover its spirit in struggling for its inheritance, and, if the princes of Industrialism can plead successfully their helpless innocence in face of the abstract tendencies of economic evolution, they will forestall the struggle and retain the spoils.

The principal charges by which Mr. Penty seeks to establish his general indictment against National Guildsmen of surrendering to Industrialism are two: their supposed partiality for large-scale organisation, and their alleged blindness to the evils of machine production. The one leads them to a preference for National over Local Guilds; the other renders them insensible to the claims of the craftsman. Space admits of our touching on each of these points only very briefly; a more thorough pursuit of both these controversies must be looked for elsewhere.[1]

In the first place, we must take occasion to repudiate the suggestion that National Guildsmen, in their attitude to these two questions, are compromising with their principles. Such an insinuation is based upon a misunderstanding of what those principles are. For the vast majority of Guildsmen, Guild principles do not necessarily involve an insistence upon the local unit as such, or upon craftsmanship for its own sake; rather do they demand the freedom of the worker to share in the control of his own industrial life, and the recognition of a moral ideal in industry, impossible while the

[1] See, for instance, the discussion in the pages of the *Church Socialist*, November, 1915—May, 1916, between Mr. Penty and one of the authors of this book. Also *Self-government in Industry*, chapter viii., sections iii. and ix.

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wage-system prevails. It is true that many National Guildsmen would desire to see a high degree of decentralisation in industry and a steady supplanting of machine production by manual work in many directions; but these objects are predilections with them, not principles. They are concerned to release the worker to decide these issues, not to prejudice them on his behalf. His principles impel the National Guildsman to demand freedom of choice for the community in both its aspects of maker and buyer—that is, for the Guilds and the public in consultation. Until the conditions of this freedom have been won, the Guildsmen's views on such subjects as local autonomy and craftsmanship, however strongly held, are rather prejudices than principles. His principles do not require that the Guilds shall be forced into local isolation, or machines butchered to make a mediaeval holiday; they only require that society, freed from the alien sway of Capitalism, shall be at liberty to do these things if it so desires.

In one of the most valuable chapters of his book Mr. Penty discusses the evil of large organisation, and with much of what he says most Guildsmen will instinctively sympathise and agree. They will also find something on which they will do well to reflect. For having disposed of the Fabian bluff that large organisations are more "efficient" than small ones, Mr. Penty asks, "Efficient for what?" and proceeds to this suggestive passage:

> When the capitalist affirms that it is his enterprise that keeps things going, I regret to say that he is telling the truth. There lies the condemnation of the large industry.

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So rotten have things become that industry to-day has come to depend entirely upon an external and artificial stimulus to galvanise it into activity from above. Remove this artificial stimulus, due to the desire for profits, and stagnation would speedily result. For the greater part of our industrial activities have no validity apart from the desire for profits. Exclude the motive of profit from such activities, and they would cease to exist.[1]

But if this passage contains an important consideration for National Guildsmen, it also suggests a part of their reply to Mr. Penty. For it is to "exclude the motive of profit" and the profiteer who incarnates it that they are striving; if, by doing so, they are thereby preparing the downfall of the large organisation, they will be on the way to accomplishing by their action what Mr. Penty too often reserves to his hypothetical catastrophe. We must at this point remind our readers how continually we have already insisted on the need for and the strong probability of local initiative and control of production within the National Guilds; but we need not repeat our arguments here.[2] The fact that the industrial struggle of to-day involves a high degree of centralisation in the Trade Unions in no way conflicts with that view. We have to beat the enemy before we can expect to enjoy the fruits of a real industrial peace; and in this conflict with a highly organised and closely united Capitalism the workers must themselves organise and unite no less thoroughly. But even here, as our chapter on Trade Unionism sought to demonstrate, initiative

[1] *Old Worlds for New*, pp. 68–9.
[2] See above, chapter viii.

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must come from below; no framework of organisation, however efficient, will compensate for apathy in the workshop or the local branch.

While National Guildsmen insist strongly on the vital note of the small unit, the fact remains that it is essentially for National Guilds that they are labouring. In the Europe in which we live, the human grouping which commands instinctively the highest loyalty and is alone capable of co-ordinating all other loyalties is the nation. To recognise this by no means involves a worship of the sovereign and bureaucratic State; nor by any stretch of imagination can National Guildsmen be accused of such an idolatry. By ignoring it, however, there is danger that we shall fall into the atavistic localism of the academic mediaevalist. We are bound to point out to Mr. Penty that even his "localism," like other unspontaneous revivals, is somewhat self-conscious. The mediaeval townsman spoke of the stranger from another district as a "foreigner," because he thought of him as such. Yet to-day we have on every side decisive evidence of the strength of the national ideal; even despite the great national corruption of Capitalism, it is the appeal for national service that has aroused the simultaneous energies and devotions of every corner of this island. Local patriotism has been strong; the spirit of emulation has manifested itself between district and district in a hundred ways, from the taking of a trench down to the buying of a War Bond. But it is the overpowering claim of the national interest that has inspired and co-ordinated the efforts of them all.

It must be even so with the Guilds: they must

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be national or they will be nothing; decentralised certainly, but national in their scope; national ultimately in their co-ordination of supply and demand; national in their organisation for purchase of raw material; national in their relations with the national State. Moreover, the Guilds will be taking over national tasks, not only from the capitalist who has usurped them, but from the State which has inevitably mishandled them. Old age pensions, sick pay, insurance—such industrial machinery as is involved in these is the affair of the Guilds; in accepting the transference, they will be assuming national responsibilities such as no local Guilds, even though federated, would be capable of shouldering with efficiency.

We can agree, however, with Mr. Penty's general verdict that "National Guilds can have no finality about them," since, when the victory over Capitalism is completely achieved, decentralisation in industry will almost certainly follow, with results that cannot be altogether foreseen. But if we do not claim finality for National Guilds, we do claim priority for them. The propaganda of Local Guilds, in our view, rightly begins at the point where the propaganda of National Guilds leaves off. The same is true of the machine problem. Before we can control that problem we must first control the machines themselves, and for this the Guilds are an indispensable preliminary. Moreover, Mr. Penty, for all his careful thought and close reasoning on the subject,[1] does not seem to us sufficiently to realise that machinery does present a problem, and

[1] See *Old Worlds for New*, chapters ix. and x.

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not merely exhibit a disease. If machinery appears to have run wild and to be threatening our civilisation, let us remember that, while anyone can shoot wild animals (granted sufficient courage for the enterprise), the difficult but, at the same time, valuable thing is to tame them!

Again, we do not think that Mr. Penty sufficiently takes into account the fact that, though machine production is primarily the concern of the producer, it is also a matter in which the consumer's opinion has a right to be heard. Even the worker himself may be prepared to surrender a certain proportion of his joy in his work, if he feels an assurance that he will derive joy out of the finished products. Under our present evil system the workers are engaged very largely in turning out cheap and nasty machine-made goods for their own use, while, if they do get an opportunity to expend their skill and express their personality in work, it is in the production of luxuries for a handful of parasitic and wealthy consumers. The arrival of a state of things in which the normal consumer of the worker's finest products will be a man like himself, will in itself go far to put the machine in its proper place, since good work will not be canalised into the creation of luxuries for a plutocratic market, but spread over the whole field of production to cope with a democratic demand.

Capitalism: *voilà 'lennemi!* Man has no right to happiness in his work until he has secured justice in the ordering of it. Nor is he likely to obtain it. The profiteer will always be ready to spare a little academic sympathy for the worker over the horrors of Industrialism; but he will do nothing substantial

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to end them, since so to do would endanger his sway.[1] In concentrating the attack upon Industrialism, Mr. Penty is not only tacitly exonerating the profiteer, but he is obscuring the rôle of the worker in preparing, as he must do, to subjugate what will otherwise subjugate him. Mr. Penty is, in a very real sense, putting the cart before the horse—the inanimate before the living, the mechanical before the human. The worker must control before he can create; he can neither build a noble world nor furnish it beautifully until he has struck the chains of wage-slavery from his wrists.

Mr. Belloc and the Distributivists

The third attack made upon National Guildsmen from the forces of the Revolutionary Left comes from Mr. Belloc and his followers, the Distributivists.[2] This school shares the Guildsmen's standpoint of criticism in regard to existing society, and applauds their purpose. But while the Distributivists admit that Guild propaganda may be valuable in organising resistance to the Servile State, they declare that the application of Guild principles will be indecisive and ultimately worthless, unless they are founded upon the dogma of individual property, which, in their view, is the sole guarantee of political

[1] Mr. Penty himself implicitly admits this, when he says of the capitalist that "He aims at the deliberate creation of a class of workers so degraded and with an outlook in life so hopeless that they will have little option but to do the horrible and dangerous work which lies at the base of industrialism."—*Old Worlds for New*, p. 97.

[2] See Mr. Belloc's articles in the *New Age*, October—November, 1913, and the editorial reply to them in that journal, December 11th, 1913; also the elaboration of Mr. Belloc's position by his followers of the "Rota Club" in *The Real Democracy*, by J. E. F. Mann, N. J. Sievers, and R. W. T. Cox.

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citizenship and economic freedom. The Distributivists insist that "State ownership" means in fact ownership by an inevitably corrupt, inevitably stupid, and inevitably tyrannical bureaucracy. Against this peril they see no other safeguard than the wide distribution of property among many men, instead of its centralisation in the hands of a few—whether the latter be private capitalists or a bureaucracy. In the case, for example, of agriculture, the Distributivists hold that a countryside of peasant owners, each owning his small farm and then associating in a Guild, is more natural and more practical an ideal than the notion of a National Agricultural Guild, with its members responsible for the working of the land, the ownership of which is, however, vested in the State.

The National Guild principles, after their long and by now successful conflict with Collectivism in the realm of ideas, cannot be accused of an undue tendency to State interference. Nor, with their intense insistence upon the importance and outlook of the individual Guildsman, can National Guildsmen be thought unmindful of individual rights and individual freedom. If, then, we felt that the only way in which these could be guaranteed to the citizen was by the restoration and redistribution of property, we should unhesitatingly advocate this, undeterred by any merely sentimental reverence for Socialist conceptions. There seems to us, however, a confusion in the idea of "property" that is fatal to the ideal of the Distributivists, as far, at any rate, as industry is concerned. It results from the failure sufficiently

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to recognise the fact that there are two sorts of property—the one, which may be maintained and developed by the owner himself; the other, which entails a claim upon the labour of others. An example of the former is the agricultural small holding, which example, as the Distributivist well knows, lends itself best to his demonstrations even though it does not establish his case. Once, however, we turn from farming to the realm of industry proper, we find that we are concerned almost entirely with the second kind of property. It is impossible to imagine a small holding of railway-line in the same sense as a small holding of land. But here the Distributivists have, of course, another method to propose. They would make each railwayman the proprietor of an interest-bearing share in the capital of the Railway Guild. If he wished, the railwayman could sell his share, and either live on the proceeds or invest them in a share in another Guild.

To National Guildsmen this will seem the strangest way of achieving freedom. First, the shares are to be interest-bearing; this means that the Guilds will be conducted for profit—since interest is nothing other than a share in profits. But National Guildsmen affirm the necessity of industry being conducted for service, not for profits; this is, indeed, why emphasis is necessarily laid upon the conjunction of the State in the conduct of industry. There is a second implication of the Distributivists' programme which is still more remarkable. This is that shares in a Guild may be bought and sold. If an engineer, therefore, sells Mr. Belloc a share in the Engineering Guild, it becomes Mr. Belloc's

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property. Mr. Belloc then will expect and be entitled to receive interest upon this share he has purchased; he thereby becomes a sharer in the profits made by the Engineering Guild with the labour of its members. Thus Mr. Belloc twice offends against the sense of industrial justice: first, he abets the Guild in extracting profits from its service to the public; secondly, he claims that, by his purchase of a share in the Guild, he is entitled to the fruits of a work in which he himself does not participate. Without the engineers' labour there will be no profits, and so no interest for the Engineering Guild's shareholders; in as far, therefore, as Mr. Belloc's claim to interest upon his share is legally enforceable, he is putting forward a claim to the legal enforcement of the engineers to labour for him. The hypothetical Mr. Belloc, no doubt, becomes free and independent by virtue of his shareholding of property; but the members of the Engineering Guild are equally the poorer, both in independence and in status. It might be possible, however, as the Distributivists propose, to restrict by State action the sale of shares, to prevent the creation of large properties, and to destroy those already in existence. But National Guildsmen submit that there is no possibility of individual property being redistributed and secured, until concerted aggressive action on a national scale has been taken by the Trade Unions.[1] Indeed, a perilous and paradoxical feature of the Distributivist programme is the stress which it throws upon State

[1] See Mr. Cole's development of this point in *Self-government in Industry*, p. 160.

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action in achieving economic emancipation and preserving its fruits.

National Guildsmen cannot admit that the multiplication of individual property in industry is a feasible proposal; their principles demand the socialisation of the means of production, by which these become the property of all—or none. The bureaucracy—even if it can be supposed to remain as corrupt in a Guild State as it is now—would not be able to ride rough-shod over a National Guild; such an effort would meet with the opposition of all the Guilds united in their Guild Congress. And in the sphere of industry, Mr. Belloc's detested "politicians" would certainly not succeed in demoralising a Guild Congress with the same facility with which they dazzle and deceive the wage-slaves of to-day. The Guildsman, familiar at every turn of his working life with the realities of industrial democracy, will be well prepared to pay the price of eternal vigilance for the freedom he has so hardly won.

But, in the opinion of many National Guildsmen, the fundamental difference with the Distributivists is that their arguments are directed rather towards the attainment of individual happiness than to the establishment of social justice. It is true that such a conception of happiness is far removed from the base ideals of "increased happiness" dangled before the wage-slaves by the Reconstructors of Capitalism. It is the vigorous happiness of economic independence; not the easy acquiescence in pampered servitude. Yet to the Guildsman, happiness, though certainly a "by-product" of emancipation and even an essential one, is not the end for

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which such emancipation is striving. That end is justice rather than happiness, or, as the theologian might express it, the glorification of God rather than the glorification of man. The economics of Distributivism are the logical development of individualist liberalism.[1] Yet, because Mr. Belloc is as fundamentally human as Herbert Spencer was essentially inhuman, he translates the academic antagonism of the "Man *versus* the State" into the burning question of the Peasant Proprietor *versus* the Politician, and so, of course, enlists the instinctive sympathies of all but the mean, the timid, or the corrupt. For the Guildsman, however, this is not a burning question, but rather a rhetorical question; it is a question that does not call for an answer, and is, therefore, not really a question at all. The question for the Guildsman is not so much whether the politician should be in a position to oppress the peasant or the peasant in a position to defy the politician, but rather how the community may best combine the highest degree of freedom for those who live and labour on the land with the highest degree of agricultural development. There may well be a conflict of ideals and of interests between the politician with a bureaucratic outlook and the peasant proprietor with a purely individual standpoint: the former necessarily interfering and incompetent; the latter very possibly irresponsible and inefficient. There need be no such conflict when the agriculturalist ceases to pursue his private ends, and the bureaucrat abandons his interference

[1] See in this connection an article by Mr. de Mæztu in the *New Age* for February 14th, 1918.

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in methods. At present it is the instinct of the agriculturalist to tell the politician to "keep off the grass," to which the politician immediately replies that the agriculturalist is to blame for letting that grass grow under his feet. But let the exploitation of the land cease to be the subject of petty profiteering and become a national concern for which a National Agricultural Guild, co-ordinating the initiative and the activities of small agricultural communities, is fully responsible, and the bickering of proprietor and politician disappears. Agriculture becomes a public service, in which, while on the one hand State trespassers would be prosecuted, on the other the inefficiency and individualism of one or a few would not be allowed to impair the prosperity of the most essential of all industries. Moreover, only with the institution of a National Agricultural Guild would there result the disappearance of that rural proletariat on which even peasant proprietorship largely depends, and which suffers even more perhaps at the hand of the small landowner than it does from the more distant domination of the big.

The Distributivist, then, fails, even in the most promising sphere of agriculture, to harmonise economic independence with the highest interests of society. The emancipated peasant proprietor may have as good ground as the Jolly Miller for singing:

> I care for nobody, no, not I,
> If nobody cares for me.

But freedom means something more substantial than irresponsibility. Man cannot be altogether

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relieved, as Oscar Wilde desired to be, from the "sordid necessity of living for others"; even the most individualist amongst us may be content to serve society, if in the organisation of that service he has a full and equal share.

Women in Industry—and in the Guilds

We have dealt with the three lines of attack which National Guildsmen have to encounter from the revolutionary side, and with such problems of policy as arise out of them. The remainder of this chapter must be devoted to a discussion of questions which are at friendly issue amongst Guildsmen themselves. Amongst these, one of the first to appear was a quarrel in which Guildsmen were not in any direct way implicated, but which was rather a far-off disturbance on the waters of social theory; reaching them eventually, it faintly rocked their adventurous craft and passed away beyond. There was a period before the War when on the discovery of some difference, violent, but at first sight obscure, in a corner of the revolutionary field, it was safe to apply the maxim, *Cherchez le féminisme!* From this epidemic of debate Guildsmen did not wholly escape. The Feminist, with a phrase surely amongst the most rash even of progressive formulas, was demanding that women should take "all labour for their province," and in due time called upon Guildsmen to stand and deliver their doctrine on the subject. But Guildsmen—in which comprehensive term women are, of course, included no less in practice than in theory—faced with a proposition as vague as it was disputable, fell to debating it amongst

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themselves, both with a view to the immediate industrial situation and in its relation to the principles and working of a Guild society. It was not to be expected that uniformity would arise from such a debate: to some, the "economic independence" of women was the supreme test; to others, her spiritual independence in her own self-governing domain of home and family seemed an even more indispensable basis for a healthy community. But the upshot of the discussion seemed to show that those differences which could be deemed fundamental were not strictly relevant to Guild principles, while such differences as were relevant were not particularly important. In our treatment of the subject, necessarily brief, we do not pretend to speak for other Guildsmen than ourselves, but we are not conscious that our conclusions would be very violently combated even by those Guildsmen who would not completely assent to them.

There is not, of course, anything particularly new about the appearance of women in industry; but the present position, greatly accelerated by the effects of the War, is that women are entering industry in ever greater numbers. This incursion is welcomed by Feminists on the ground that it offers women the comparative independence of wage-earning after the old economic inferiority to which willy-nilly they have had to submit; it is better, they say, for a woman to be a wage-slave in the labour-market than a chattel-slave in the home—better to sell her labour than her sex. Astute employers also are encouraging women to enter industry. Their reasons are very apparent;

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the influx of women into industry lowers wages and disorganises Labour.

One of the first definite pronouncements of National Guildsmen in respect of this problem was made by the *New Age* in 1912 in a long editorial article [1]:

> It is bad in our opinion . . . that women should enter the industrial market *while wage-slavery prevails there.* The only possible effect of their incursion will be to reduce wages to their [*i.e.*, women's] level of subsistence and to depreciate marriage and morality in necessary consequence.

Some time later, Mr. Rowland Kenney, writing in the same paper, made a definite proposal on the subject, with the aim in view of consolidating the Trade Unions for the overthrow of the wage-system.

> The Unions should treat women labour precisely as they sometimes treat non-Union or potential blackleg labour: refuse to work with it. Failing that, then the men should refuse to let any more women come in, and so clear their industries by the dying-off or marrying-off of the present women workers. But whatever step is taken, it should be taken with a view ultimately to clearing women out of industry.

To this Mrs. Winifred Horrabin replied with a rival suggestion, set out in the following manner:

> *Question:* Can women be used as blacklegs?
> *Answer:* Yes.
> *Simple Solution:* Then we must organise them with us in our own Unions.

Thus we have two proposals made to the workers. To guard themselves against the serious menace

[1] See "Notes of the Week," August 29th, 1912.

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offered to their organisations by the swamping of Trade Unionism beneath a flood of unorganised women workers, they were to attempt either to exclude women from industry altogether, or to enrol them in their own Industrial Unions.

Whatever the relative merits of these two suggestions at the time when they were made, the issue between them has now been definitely settled by circumstances in favour of the second. Whether or not it was practicable before the War to exclude women from industry, this has now become impossible. Moreover, the weak point in the proposal from the Trade Unionist standpoint is that it presupposes a far greater degree of organisation and a far more highly developed sense of the right to control industrial conditions than the Trade Unions at present possess. So drastic a policy as the conscious and deliberate exclusion of women from industry could only succeed on two conditions: if there existed a strong and fairly general conviction that their entry would be harmful to their own best interests, and if, further, the vital necessity was clearly appreciated of creating a labour monopoly as a prelude to the establishment of National Guilds. But these conditions—unfortunately, as we think—are absent, save in a degree too small to be of much account.

National Guildsmen are faced, then, by the definite establishment of women in industry, with little or no possibility of their ever being removed from it.[1] Our own standpoint is not in any way a sex one;

[1] An interesting suggestion, however, has been put forward in the *New Age* that, as one means of minimising unemployment after the War, women should be compulsorily "undiluted" from industry.

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we are aiming at the welfare of society and the emancipation of the workers as the condition of it. This, as our readers have seen, involves an increase in control; the entrance of women into industry is certainly weakening and has weakened the workers' power to attain control. It is useless to cry over spilt milk; the task before us now is to see how this breach in the Trade Union citadel may be repaired. How can the Trade Unions become blackleg-proof while there is a huge mass of "potentially blackleg" women workers in industry for the employer to fall back upon in times of necessity? The men workers' answer must clearly be, "We must organise them with us in our own Unions." If women workers are ever to be anything better than mere blacklegs, it is their duty to organise. But, as a rule, women workers are so full of their newly found independence—the independence, forsooth, of wage-slavery!—and so much are they confirmed in this, and the true facts hidden from them, by the silly, when not actually corrupt, Feminist tools of the employers, that Trade Union organisation is the last thing they think of. There are signs, however, that the rude facts of wage-slavery are slowly rousing the women workers to a consciousness of their position. But even when women can be induced to enrol themselves as Trade Unionists, their apathy is a constant source of anxiety and disappointment to men and women organisers alike. It is not found easy to induce women workers to share in the government of Trade Unions, even when provision is made for their special representation. They would seem to be

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conscious that industry is for them a temporary expedient and not an essential part of life. One virtue, however, women almost invariably display in Trade Union activities—that of loyalty; complaint has seldom to be made of a woman worker, once she is a Trade Unionist, that she failed her comrades in a crisis or deserted them in a strike.

There is still one pressing danger to be guarded against. It is that the organisation of the women workers might be based on the principles of Craft Unionism rather than those of Industrial Unionism. Nothing would better please the enemies of Labour than if a quarrel should break out between the men's and the women's Unions, or—a more serious and immediate peril—if an unholy alliance should be formed between the women's and the unskilled men's Unions against the skilled men's.[1] The only safeguard against these internecine disasters is Industrial Unionism—for men and women workers alike. That the women should be represented sectionally inside the Unions seems both desirable and simple to effect, once the fundamental principle of Industrial Unionism is recognised as the best way, and even the only way, to challenge the capitalists to-day.

What is the position of women to be as workers in the Guild State? It would be premature to attempt too elaborate a reply to this question; we shall submit only a few general suggestions. Despite all the promises of their heralds, women have found neither satisfaction nor advantage in taking all labour for their province. The more thoughtful

[1] There is no small danger of this arising in the munitions trades, in connection with the restoration of the skilled Unions' privileges after the War.

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amongst them are already reflecting on the consequences of this principle, which would seem rather to be working out in the form of wage-labour taking all womanhood for its province. The welfare, moral and physical, of society has gained nothing and lost much from the thoughtless drift of women into industry. The reaction must come; already, after flocking from the horrors of home to the delights of the workshop, many women are returning to what they find—it may be, with surprise—to be the more congenial sphere, and many more are only waiting for the opportunity to do so. For the time being, the places of those who return are more than filled by younger and less disillusioned women; nor would it be fair to exaggerate the charms to-day of the Uncle Tom's cabin of the wage-slave. But, with the restoration of manhood and liberty to the Guild worker, there seems no doubt that the more normal rules of life will be re-established. Society as a whole, men and women alike, will welcome the exit of women from those industrial tasks that require from them great physical exertion and strain.

There are, we think, two main principles by which the limits of women's work in the Guilds must be established. Does their performance of any industrial function injure their womanhood—then it must be closed to women. Does their performance of any task injure the Guild industry by lowering standards or infringing rules—then also must women retire from it. But what work women wish to do, and can do without harm either to themselves or to the Guild standards—this, at least, must certainly be

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left open to them. At the smallest estimate, this leaves the professions and all the vast clerical and crafts sides of the Guild industries as a field for women to whom the industrial world presents an appeal. There were women in the old Guilds; and some there will undoubtedly be in the new.[1]

Unemployment

For many Guildsmen—amongst whom, however, we are not to be numbered—the question of women's entry into industry was of importance solely in its bearing upon unemployment. Would the perpetual flow of fresh unskilled labour from a practically inexhaustible source remove all possibility of the workers' confronting the capitalists' monopoly with a labour monopoly of their own? Though we have preferred not to discuss the relation of women to industry purely from this point of view, we are conscious of its importance. Indeed, the creation of a labour monopoly is so vital a part of Guild policy that we have need to discuss somewhat fully how best we may overcome a most obvious obstacle to it, namely, the phenomenon of unemployment. Conspicuous, indeed, by its absence during the fallacious "prosperity" of War-time, unemployment, the corollary of profiteering, is likely to reappear at its close on an unparalleled scale, as an accompaniment of what may well be the greatest slump in the annals of Industrialism. Demobilisation, however skilfully conducted, cannot of itself create a demand for labour, and the most efficient

[1] For a fuller elaboration of these suggestions the reader is referred to two articles on "Women in a Guild State" in the *New Age*, March 4th and 11th, 1915.

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organisation of the Labour Exchanges may prove powerless to arrest a sensational fall in Labour securities—and security. The State does not rule the waves of industry, but abandons them to the depredations of privateers; far less can it hope, then, to control the tides. Despite the optimistic counsels of his "wise men," our Canute at the Ministry of Labour is likely to wet his feet. And the workers, if they put their trust in bureaucratic princes, will find many of the weaker amongst their number drowned altogether.[1]

But what we have to consider here is not so much an immediate peril as a permanent disease. Unemployment is not an accident arising out of the capitalist control of industry; it is rather a condition of it. This has long been recognised by Guildsmen, as, of course, by all but superficial critics of capitalist economies. Mr. S. G. Hobson, for instance, in his original articles on the subject, showed that "a margin of unemployment is essential to the maintenance of the wage-system"; and he supported his demonstration by a quotation from a prominent employer, Mr. Arthur Chamberlain, who, in the course of a speech on the Tariff controversy, gave utterance to the following remarkable confession:

> We must maintain a certain reserve of unemployed, or what would we poor manufacturers do?

Moreover, Mr. Hobson reminded us how, should this reserve be somehow absorbed or "organised" out

[1] For coping with the immediate problem of post-war unemployment, see Mr. Orage's proposals for the "undilution of labour" in his introduction to *Guild Principles in War and Peace.*

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of existence by schemes of bureaucratic manipulation, the employers, by the judicious introduction of labour-saving machinery and devices for "speeding-up" production, can automatically create another. To cure unemployment, he argued, we have to remove its cause; and this, in practice, means nothing other than the destruction of the wage-system itself.

Since the destruction of the wage-system, though an urgent task, may well prove to be a long one, it is necessary to inquire whether, short of its complete destruction, we can modify the wage-system by the regulation of unemployment in the direction of Guild ideals. The problem is not a simple one; we have already seen in earlier chapters how easily the establishment of security for the worker under capitalist control leads to his being bound more closely to the master who, whether voluntarily or under State compulsion, endows him with it.[1] We have constantly to bear this danger in mind when we consider proposals, favoured by many Guildsmen, for throwing the responsibility for the maintenance of the unemployed in any industry upon the industry itself. The arguments advanced in favour of such a policy are of two kinds.

On the one hand, it is suggested that to make either the State or the workers contribute to the maintenance of the employers' human reserve is essentially unreasonable, since neither the one nor

[1] "For an actual security based upon bondage the wage-system substituted a no less actual insecurity based upon an incomplete personal freedom. Our problem to-day is that of re-establishing security without re-instituting virtual chattel-slavery" (*Self-government in Industry*, p. 163). This quotation is from chapter vi., section iii., which is a useful summary of the problem.

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the other directly profits from the successful accomplishment of the purpose for which that reserve has to be maintained. The capitalist does not expect either the State or the Trade Unions to help to maintain his machinery or his raw materials, and, since the worker is but the human material of profiteering, the least that can be demanded of the profiteer is that he should himself pay for "its" upkeep and support. This line of argument, however, is in no sense revolutionary, and it is from a somewhat different standpoint that the policy is advocated by Guildsmen seeking to secure its adoption by their fellows. The maintenance of the workers in any particular industry by the Guild concerned is, they remind us, a Guild principle. Pending the development of the Guild, let us throw the task upon those who are at present the masters of the industry. By doing so, we shall strike at the commodity basis of labour and go far to destroy the wage-system that depends upon it. For, in proportion as labour ceases to be a commodity in industry, it becomes a partner, and the status of the worker is thereby sensibly raised. Moreover, what are the alternatives? Maintenance of the unemployed by the Trade Unions, beside being inherently unjust, involves a crippling charge upon the resources of Labour, which are needed for purposes more constructive and aggressive than industrial first-aid. As for throwing the charge upon the State, this course, apart from its being quite unfair to the taxpayers who have ultimately to defray the expense involved, will lead straight to an increase of the bureaucratic control over

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industry which the Guildsman is concerned to avoid. To bureaucracy we oppose the principle of industrial autonomy; with its bold application we may strike a blow at the wage-system by establishing the right of the worker to be maintained by the industry on which he depends.

Before turning to consider the opposition which these contentions have encountered, we must briefly examine ways in which the idea of making the unemployed a charge on the industry might be applied. One method has been put forward by Mr. Henry Clay,[1] which, though strictly compatible with the maintenance of Capitalism and not proposed as any sort of attack on it, has points of interest to Guildsmen as being quite independent of, if not prior to, proposals which they have made for increasing the responsibility of the employer. Mr. Clay's argument can only be summarised here, but it deserves a close study. He starts by declaring that neither the State nor the Trade Unions can control unemployment efficiently, since they do not control production. As long as production remains a function of the employer, the proper regulation of it is primarily his task, and the responsibility for its discharge must be brought home to him.

> The organisation of production on a basis of regular instead of irregular employment, the reduction of irregularly employed reserves to a minimum, and the charging of the maintenance of such reserves on the cost of production can be done only by the people who organise production—namely, the employers. Where they have to do it, they are able to.[2]

[1] See *The Industrial Outlook*, pp. 85–91.
[2] *Ibid.*

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Mr. Clay cites the examples of agriculture and of the isolated firm in a small town ; in both instances, the employer has to keep his workers together, whether he has work for them all the time or not. There is no essential reason why all employers should not have imposed upon them by compulsion a duty imposed on these few by circumstances.

> Rent and debenture interest are met irrespective of the state of trade ; only wages are expected to share with profit the burden of fluctuations.[1]

This is the more unjust, contends Mr. Clay, since trade fluctuations are intensified by the employers themselves working, only too often, not to stock, bu to order, and inflating production during a boom, with the inevitable result that a depression follows and those " hands " who are no longer required are turned off. No one would suggest, Mr. Clay continues, that the State should forbid such dismissals. But it does not follow that it can do nothing to prevent them. On the contrary,

> The State could emphasise the responsibility of the organiser of production for regulating unemployment without making it an absolute rule that employers must give regular employment. It could do so by putting a premium on regular unemployment and penalising irregular employment. Thus it would remit the problem of unemployment in an industry to the industry.[2]

Mr. Clay is in no doubt how this could be done. His proposal is to amend the Unemployment Section of the Insurance Act by raising the employer's

[1] *Ibid.*
[2] *Ibid.*

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contribution, since it is both unjust and unpractical to " tax equally the worker who suffers from unemployment and the employer whose defective organising work is a main factor in causing it." Rather should we " impose a tax which will not only compel the individual employer to seek means of regularising work, but will induce all the firms in each industry to co-operate to that end." To be effective, however, the tax must be paid by employers in each industry into a separate fund; only thus can the responsibility for failing to regularise employment in any particular industry be brought home to the proper quarter, and the interest of the industry as such become obvious. Further, employers should be able to recover a proportion of their contribution, if they are able to prove that the regularisation thus forced upon them has led to good results.

Mr. Clay justifies his proposal in a significant passage, which suggests some of the criticisms that certain Guildsmen have been led to make on the whole idea he is endeavouring to apply. The justification of profits, he reminds his readers, is assumed to rest upon the idea that they are payment for the work of organising production and shouldering its risks. But, if employers shirk the burden of maintaining the unemployed, they are leaving undone a principal part of their task, and their justification as profit-makers cannot be considered established.

To charge the chief burden of unemployment on to profits, then, is justifiable on precisely the same grounds as profits themselves are justifiable. If, on the other hand, the workers or their Unions are to continue to

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bear the chief cost of bad organisation, then they are entitled to a share in the control of the industries.[1]

The question arises, then, whether there be not a danger that, if the workers are content to let this burden pass over to their masters, they will at the same time be surrendering beyond recovery an indispensable Guild function out of the hands of the Trade Unions, which are the Guilds in embryo. Guildsmen, such as Mr. S. G. Hobson and Mr. Cole, who have proposed that the unemployed should be made a charge upon the industry to which they belong, have not been blind to this danger.[2] To guard against it, they have demanded a large measure of Trade Union control over the scheme they propose. This scheme we quote from Mr. Cole's summary of it in his latest book[3]:

Let an Act be passed setting up for each industry a statutory body representing employers and Trade Unions, with power to levy a rate upon all the firms in the industry in proportion to the numbers employed by them. Let the payment of benefits from this fund be placed absolutely in the hands of the Trade Unions, and let Parliament have no control either of the amount of the levy or of its expenditure. This would be a clear step in the direction of industrial autonomy.

This, however, would not solve the whole problem; for industry is not yet decasualised, and there are many workers, and not a few employers, who cannot be assigned definitely to any industry. For these there

[1] *Ibid.*

[2] "If he who pays the piper calls the tune, there is evidently a danger that Capitalism, in assuming the responsibility for the worker in sickness and unemployment, might also virtually assume ownership of the worker."—*Self-government in Industry*, p. 167.

[3] *Op. cit.*, pp. 168, 169.

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would have to be a general body, on which, from the Labour side, the General Labour Unions would be strongly represented, and this body would levy a general rate on all employers employing such unallotted labour.

To these bodies and to a central body co-ordinating them all should also pass the control of the Labour Exchanges, and of any other industrial agencies set up by the State for dealing with questions of employment.

It is time to consider the objections that the whole proposal has provoked from those Guildsmen who fear its adverse effect upon the independence of the worker. In the first place, they contend that the scheme just outlined, while certainly less objectionable than others that could be and have been proposed, would be likely to prove impracticable in the form in which it is put forward, and would work out very differently. The employers would insist on some control of the money contributed by them; nor would any proposal ever get through Parliament which did not provide for this. But, in any case, the idea of applying "industrial autonomy" to an industrial order based on an essential antagonism of interests and ideals is perilous to the morale of the worker, since it gives him a false sense of solidarity with those whom he has no right to regard as partners, until they have ceased to exploit both him and the public. This suggestion that servility will follow upon a feeling of security is not based merely upon theory; there is practical evidence in support of it. The members of the salariat, indeed, enjoy this very illusion of security (for, under the wage-system, security cannot be absolute without the addition of complete slavery); we see the result in the lack of vision and enterprise they exhibit. Far

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from raising the status of the worker, by binding him more closely to his job, we may be rather lowering it by creating a new form of industrial serf who may not leave his industrial lord or, at any rate, the group of lords dominating through their associations the industry in which he is regimented. Moreover, the scheme, to work efficiently, would almost certainly involve a large measure of compulsory Trade Unionism, and, consequently, an extension of public control over Trade Unions, which might go far to deprive them of their character as autonomous bodies. Until profiteering is a thing of the past, the autonomy of Trade Unionism is a more essential principle than the autonomy of industry; for the workers to call in the employers to combat the State is a step in the wrong direction, which will postpone rather than hasten the social partnership that Guildsmen are seeking to establish.

"Exclusive" Control or "Divided" Control?

While we are inclined to think that this criticism lays undue stress upon the dangers of the proposal, without a due recognition of its merits, it is nevertheless obvious that this idea of "industrial autonomy" has its pitfalls for the Guildsman. As long as the wage-system remains, anything which tends to accentuate a supposed identity of interest between the tyrants, the officials, and the serfs of an industry must fortify rather than weaken the dominion of profiteering. This point takes us to a consideration of the most violent controversy that has yet arisen amongst Guildsmen, and one which concerns the question of the immediate policy they

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should pursue in relation to the extension of control over production by the workers. We have already discussed this question at some length; with our maxim of "Encroaching Control" and with the greater part, at any rate, of our application of it few Guildsmen are likely to disagree. But a further point arises. Is the "Encroaching Control" to take the form in all cases of an *exclusive* control by the workers' organisations concerned, without any contact with or relation to the representatives of Capital? Or may it in some instances require to be developed in the form of *divided* control between the workers' representatives and the representatives of Capital, not necessarily—and certainly not primarily—through National or District Councils (on the Whitley model), but in the form of Joint Committees in the workshop and in the works?

Let us say at the outset that, while we recognise both the importance and the urgency of this question, it appears to us to be one merely of expediency, and not of principle. The fact that the protagonists on both sides of this controversy have inclined quite definitely to regard it as one of principle seems to us to be due to an essential misunderstanding of the problem involved. The champions of Exclusive Control have valued so highly the independence of Labour that they have suspected their opponents of being secretly prepared to compromise it in return for an immediate, though illusory, instalment of control. The supporters of Divided Control, on the other hand, have regarded as so urgent the development of the workers' self-government in industry that they have been led to look upon their

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adversaries in this controversy in the light of obstinate and fanatical impossibilists. While both sides had at heart precisely the same object of applying the maxim of "Encroaching Control," those who insisted on Exclusive Control contended that, if control were in any sense divided, the workers would *ipso facto* cease to encroach, and would accept the subordinate rôle allotted to them by Capitalism; while those Guildsmen who justified Divided Control in certain circumstances did so very largely on the ground that, unless Labour consented temporarily to divide its control over such industrial functions as it could not control completely, it would never be able to encroach beyond the most insignificant outworks of Capitalism. The advocates of Exclusive Control accused those who justified Divided Control of being impatient to encroach too quickly and at too great a risk, and were in turn themselves charged with being content to control too little, and afraid to take the risks that the achievement of victory demanded.

The controversy, we repeat, is one which appears to us to be concerned rather with a difference of judgment—as legitimate as it is natural—than a fundamental cleavage of principle. We do not regard a doctrinal uniformity on all points amongst Guildsmen as being either possible or desirable; the end of all differences would more probably result from mental stagnation than from spontaneous unanimity. In the instance we are now discussing, it would be as unreasonable for those who favour Divided Control to be charged with being "defeatists" in the class-war as for their opponents

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to be denounced as mad irreconcilables, committed to catastrophic action. If the controversialists cannot agree happily to differ, they can, at any rate, recognise that the article on which they momentarily disagree is as nothing compared with the creed by which they are united. Unfortunately, the controversy first arose at a moment when neither the ideas nor the projects of Reconstruction had been clearly defined; confusion bred misunderstanding, positions were attacked and defended by either side with more vigour than relevancy, and issue was joined on points which a closer examination would have shown not to be in dispute. We shall endeavour to state the position from both points of view in such a way that our readers may discover what is in dispute, and decide for themselves what measure of truth lies with either side.

Let the advocate of Exclusive Control speak first, and let us imagine the tone of urgent warning and burning conviction in which his words are delivered.

"You are flinching from the consequences of your principles," he cries to his opponent, "at the first moment when they have been seriously tested. While the Guild idea is essentially a revolutionary idea, as you have yourselves repeatedly testified and still assert, you are surrendering the initiative to your enemy and are debating terms proposed by the very people to whom it is your business to dictate them. You are suggesting that Labour should associate itself with Joint Parliaments and Committees in which it will not only, by its very entrance, be forced to deny implicitly, if not explicitly, the reality of the class-struggle, but where it will appear

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in a position definitely and admittedly subordinate. This is a double blasphemy, since it dishonours not only the workers' cause, but the very manhood of the workers themselves. You claim that only thus can the workers set about to control the industry to which they belong—as well might the fly accept the hospitality of the spider in hopes of controlling his web! You claim to be practical; yet how can a programme be practical which no class-conscious Industrial Unionists would even look at? They would reject you unhesitatingly; and why? Because they realise that the value of the position they are going to win in industry will result principally from the fact that it has been *won*, and not granted. The workers' right to control their working lives can only be established by their winning the exercise of this right independently as workers, and not dependently as employees or as "industrialists." It is not their business to concern themselves with the industry; their part lies with the Industrial Union.

"It is true that you rule out in words the possibility of Labour becoming in any way jointly responsible with Capital, and vigorously affirm the right to strike. But it is useless to rule out something which you proceed by your policy to render inevitable, or to affirm a right when at the same time you are preparing to undermine the whole spirit that alone will dictate its exercise. The workers cannot assume joint functions with Capital without becoming responsible to Capitalism for carrying them out. Moreover, such assumptions must create, in Labour officials at any rate, a *feeling* of responsibility for

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seeing that things go smoothly. Similarly, with the right to strike—the employers can well afford to tolerate such a right, if they have entrapped Labour into a relationship that obscures, even when it does not forbid, any development of the spirit of antagonism which prompts the workers' aggressive action and without which the class-struggle must flicker out into ignominious defeat.

"You charge us with being impossibilists. We accept the description if it means that we deem all projects of Reconstruction, however nominally impartial, impossible of acceptance by Labour. But we repudiate it if it be meant to imply that we have no constructive alternative to propose and that we pin our hopes to catastrophic action. It has been suggested from your side that it is dangerous to raise catastrophic expectations in the workers, since these result swiftly in a reaction of disappointment and despair. We assent to this suggestion, and only deny that it has any relevance to ourselves. Far from failing to be constructive, we urge the most gigantic task of Reconstruction that can be suggested—the reconstruction of Trade Unionism. In proportion as this is securely achieved it will be possible to proceed to the seizure of control by the workers, as is certainly possible already in some branches of industry, notably where the Shop Stewards movement has prepared the way. But this control must be completely and uncompromisingly exclusive; it must not admit any kind of intervention from above or from outside in those industrial functions which Labour feels itself strong enough to undertake. This is a fundamental point,

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since, if Labour is encouraged or even induced to share its rights, it will lose the spirit and the power to battle for them. That spirit you are damping; that power you are paralysing; because you are in a hurry to gain a little, you are preparing the surrender of all."

We shall pause here only to mark the impression the foregoing address has created; resisting the temptation to intervene, we call upon the advocate of Divided Control to reply. If we imagined the previous speaker passionate and vigorous, we must picture his successor as equally vigorous but striving to convince rather by the urgency of his argument than by an appeal to emotion, however legitimate. He begins by applauding the spirit of his opponent's contentions and expressing his readiness to agree with most of their constructive proposals. His general verdict is that the speech was admirable, but addressed to the wrong audience.

"You are attacking the devotees of Reconstruction," he continues; "your only mistake lies in numbering us amongst them. We are no more deceived by the language and the purpose of Reconstruction than you are, and we are no less determined that the workers must not be deceived by them either. Where we differ from you is in denying that a negative attitude to their proposals is more convincing than a positive one. We contend that, if these proposals are not frankly examined and discussed on their merits, people will receive the impression that we are disgruntled and bigoted sectarians who are interested only in forcing our

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own nostrums and panaceas on the workers, resenting all outside interference with our self-appointed task. If the authors of Reconstruction schemes—who themselves, by the way, are seldom actually capitalists—have borrowed our phrases and ideas only to distort them, there is all the more reason that we should point out precisely how they have distorted them, and should not appear to abandon cardinal points in our case simply because other people are making a bad use of them. Far from our surrendering the initiative to the enemy, we are refusing to let him steal this initiative from us.

"We attach every whit as much importance to the workers' independence as you do. But by independence we do not mean mere defiance; nor do we see much value in an independence which results in passivity and a refusal to engage the enemy. We would point out that, if the workers are as utterly servile and faint-hearted as your distrust of them implies, then the class-struggle may as well be abandoned at once; it can never succeed. But we do not believe this. We are confident that the increasing desire of the worker to take a hand in control is inspired far more by the ambition to challenge the stronghold of capitalist privilege, than by an illusory belief that he can become responsible for industry while he is tied by the tether of wages. Consultation with Capitalism does not involve co-operation; indeed, it is far more likely to provoke disharmony than to smooth the way to peace. Especially is it likely to make the workers disharmonious about the proper things. Without intervention in control they will remain

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prone to fruitless disputes about wages; but, in proportion as they come into contact with the representatives of Capital, they will discover the conflict of interests in industry which had been previously a matter rather of phrase than of fact. This is one of our reasons for attaching a positive value to divided control: it will translate industrial antagonism from the theory of the few into the experience of the many.

"You make the charge against our proposals for divided control that they involve the admission of Labour to the sphere of management in a subordinate capacity. We agree that they do, but the fault is not ours; it must be laid at the door of the wage-system itself. Such subordination is inevitable while the wage-system is maintained. Indeed, in our opinion it is well that the workers should be forcibly reminded by circumstances of a status they are too apt to forget, since we must trust that they will be roused thereby to set about making an end of it. Moreover, we should like to recall the safeguards on which we have always insisted as a condition of any assumption of divided control, and which, we suggest, have not merely a negative but a very definite positive value. These are Independence and Unity—the first expressed in the practice of preliminary meeting for the discussion of agenda, in the preparation of which Labour must obtain an equal share with Capital; the second realised in at least a considerable approximation to Industrial Unionism. In regard to Industrial Unionism, on the importance of which you have so greatly insisted, not only do we deny that our

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attitude is in any way prejudicial to it, but we go further and assert that any intervention in control, of whatever kind, must tend to the promotion of Industrial Unionism. As long as the Trade Union movement remains external to control, the craftsman feels that his main interest is in the particular conditions of his craft as against other crafts; as soon as you give the workers any share in control, it means that the craftsman's interest against rival craftsmen is subordinated to the other interests they have in carrying on production.

"You have laid emphasis upon your constructive proposals for exclusive control. But a proposal is only constructive when it is practical; yours is not. Let us suppose that you obtain exclusive control in the workshop—which would, we agree, be an excellent thing in every way. This will not obviate the necessity for any joint meeting with the employer; it will, on the contrary, create such a necessity. The workshop cannot be isolated from the rest of industrial control; it is intimately related to the organisation of the works as a whole, to buying and selling as well as to the co-ordination of production. You may even get exclusive control of the workshop wholly into the workers' hands, but this will drive you on to negotiate with the employer about higher spheres of control, more especially if you are determined, as you say you are, to invade these also in their turn. Even if you could start with exclusive control in the workshop, you could not confine yourself to this principle over the whole of production—or production would come altogether to an end within a week. All intervention

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leads, sooner or later, to negotiation; and negotiation, when it concerns production, can only be effective in the form of a division of control.

"A last word upon National Industrial Councils. We do not attach a great measure of importance to them, as we do to Works Councils constituted with reasonable safeguards. But we think that they may have their uses, if only to familiarise the workers with the tasks they must ultimately undertake, and of which they have to-day no practical knowledge whatever. It is said that the men at the top of the Trade Unions are not to be trusted, that they will betray the workers and desert their cause when the test comes. We believe that this is very largely true; therefore, we say, let the test come as soon as possible, and let it be a severe one! If you cannot rely on your leaders, it is best to make that discovery in good time. If your spokesmen are ready to desert your true interests, the sooner they desert them the better, and the more you will be able to trust those who survive the test. But if the workers are never to trust their chosen representatives or even themselves, then they will remain in bondage; and they will deserve their fate. We believe that, after the War, a great opportunity will arise for Labour, which, if it be neglected for doctrinaire reasons or shirked from a lack of courage and enterprise, may never return. We say to the workers: 'Trust in yourselves and go forward!'"

Though we do not pretend that the arguments presented on either side exhaust those which could be brought forward, we think we can claim to have given our readers the essence of the controversy;

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they must decide for themselves whether either case is completely convincing and whether they consider the issues involved are matters of principle. At the risk of incurring the hostility of both sides, we must express our belief that the truth does not lie entirely with either. We do not propose to add materially to the space already occupied by this subject to elaborate our own opinion, more especially as we have taken pains to state what we consider essential, both from the standpoint of Trade Unionism and in relation to Reconstruction proposals, in previous sections of this book.

We would affirm, however, that, in our view, what matters most is not the form in which Labour establishes its claim to industrial control, but the free spirit and the economic strength that lie behind the claim. We certainly prefer that Exclusive Control should be fought for, whenever it can be aimed at with any prospect of success; but we do not consider that Labour should in all instances refuse to divide a control it cannot completely exercise. Neither Exclusive nor Divided Control are absolutely essential in themselves; circumstances should largely determine the sphere of each. We insist that in the works and the workshop is to be found the crux of the situation for Labour to-day; we should prefer to see its representatives abstain altogether from ambitions and premature proposals for "Industrial Parliaments" until the key to the position has been secured for the base of industry. If, however, such experiments are to be made, let the enterprising and courageous sections of the Trade Union movement set about to exploit to the

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full the opportunities they will present, while guarding vigilantly against their inevitable dangers. Finally, we would urge the value of nationalisation as a solution of some of the problems which are raised by the issue of control. Let the profiteer be eliminated; and many of the difficulties which his presence raises will disappear with him. Labour will then be able to advance confidently to that true partnership with the community in which alone freedom and service may be perfectly realised.

The Fundamental Question

We have examined the main problems that have so far arisen in connection with the ideal and the programme of National Guilds. The fundamental problem of all, however, concerns neither the one nor the other; it is not a matter of theory at all, but a practical question—the most practical of any that could be raised. It is whether, granted the truth of the Guild idea and the possibility of its realisation, our people will have the vision to grasp the one and the spirit to compass the other. When we look at the huge prison of Industrialism to which a despotic plutocracy, itself weary and uneasy beneath the weight of its golden crown, has condemned the masses of our countrymen, despair is only too easy. How can we hope that in these dreary hells courage can rise and initiative return to stimulate and to arm those whose manhood is dishonoured and betrayed by every circumstance of their hire? From their servitude—if power be added to it—envy and violence may spring; but what can they achieve save confusion and the ruin of all?

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Yet, if we admit these dangers—and no one will altogether deny them—is not the obligation laid upon us all the more urgently to challenge the slavery amidst which they are bred? Every condemnation of the materialism and the servility of the worker is a condemnation of the system which moulds and imprisons him, and a condemnation, moreover, of all those whom that system enriches and exalts. All the culture, all the grace, all the intellectual worth that our governing classes display —and there is not too much—are founded upon the degradation and the exploitation of the mass of English men and women. Even if the claims of the wealthy and powerful amongst us to honour and privilege were to be accepted at their own valuation, they would not compensate for the building of our social life upon shame and fraud.

We would not have it thought that, in espousing frankly and completely the cause of the workers' emancipation, we have surrendered to the illusion that all personal and collective virtue lies upon the one side, and nothing but iniquity upon the other. The convenient fiction of the well-intentioned workman and the wicked capitalist is as perilous as it is foolish; it leads men to seek for nothing but a "change of heart" in the capitalist, rather than a change in the whole purpose of society. Yet, while we resign this fiction to those sentimentalists who have an inclination for such things, we insist that the fundamental distinction between the cause of the worker and the position of his adversary is that the former is essentially moral, while the latter is not. The one is a demand for service, for fellowship, for

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the honour of the worker and his task ; the other is a denial of value to these things, where they conflict—as they do everywhere—with the maintenance of profiteering. There could be no greater disaster than that Labour should surrender its moral claim, in return for immediate security and immediate peace. The danger is not absent. "Capital," we are told (on the authority, moreover, of Mr. John Hodge), "must have its dividend." In that phrase of our first Minister of Labour the workers' whole case is surrendered. If it represented the considered verdict of the mass of our people, the time would have come to despair.

But it does not do so ; of this we are confident. Never was Capitalism so strong in its resources and so weak in its moral appeal. It has lost the confidence of the country ; we are now at the turning of the ways. The profiteer has given us the world of Business, a sordid and shoddy den of money-makers and money-changers. Industry as an honourable craft and a social service—this is the better way now open to our country, made possible by the repudiation of profiteering and the toils in which it has strangled us. It is the high destiny of the worker, and the goal of National Guilds.

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BIBLIOGRAPHY

THE following books, journals, and pamphlets deal wholly or in large part with National Guilds and the issues of Trade Unionism in the light of the Guild idea. There are also, of course, innumerable references to this in current publications upon economics, industry, etc.

BOOKS.

National Guilds. By S. G. Hobson ; edited by A. R. Orage. 5s.

This reprint of the well-known articles that appeared serially in the *New Age* in 1912 and 1913 represents the pioneer work of the National Guilds movement. It sketches the social and economic theory of the Guild idea and its general application to modern industry, and, as its sub-title denotes, is " an inquiry into the wage-system and the way out." Its work has been developed and adapted in the other books mentioned in this list. *National Guilds* is now in its second edition.

The World of Labour. (3rd Edition.) By G. D. H. Cole. 3s.

This book, which first appeared in 1913, is indispensable to the student of modern Labour problems, for it reviews the ideas and the recent developments of Labour organisations everywhere, as affected by and affecting the problem of the control of industry. Besides containing

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the most valuable English account of the ideas of French Syndicalism and their effect, it provides a comprehensive study of the questions of structure and policy that confront the British Labour movement. It offers to the Guildsman, in a unique degree, the opportunity to base his thought and speculation on a sure foundation of knowledge of the essential problems and tendencies of contemporary Trade Unionism.

Guild Principles in War and Peace. By S. G. Hobson. 2s. 6d.

This volume comprises two series of connected chapters, besides a few additional isolated essays. Of the two series, the former contains a summary of the author's criticism of society and of his proposals for its re-creation ; the latter, under the general title of the " Permanent Hypothesis," is an examination of certain Reconstruction proposals from the Guild standpoint. The book is prefaced by a valuable study of Unemployment after the War from the pen of the Editor of the *New Age.*

Self-government in Industry. By G. D. H. Cole. 4s. 6d.

The title of this book supplies the co-ordinating idea of a number of studies, both theoretical and practical, in the implications of Guild principles. Trade Unionism is discussed in relation to the question of restoring its surrendered conditions, and also, on the constructive side, as affected by the Shop Stewards movement. The transition to National Guilds is dealt with from the worker's

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point of view, in a chapter on the abolition of the wage-system, and, from the standpoint of the State, in a section on the use and abuse of Nationalisation. There is also a chapter on "Freedom in the Guild," which includes a project for a Guild constitution; and an elaboration of a political theory hostile to State Sovereignty.

Old Worlds for New. By A. J. Penty. 3s. 6d.

This original and challenging book is a reprint of a series of articles, published on the eve of the War and described by their author as a "study of the Post-Industrial State." They examine and contradict the moral and economic assumptions of capitalist Industrialism and its claims to benefit society and enlarge man's opportunities. The author, a friendly critic of National Guilds, confesses in his introduction that he now recognises National Guilds as an indispensable step in the development he seeks.

An Alphabet of Economics. By A. R. Orage. 4s. 6d.

In this book the Editor of the *New Age* sets out, by means of a glossary of economic terms, to develop a "more or less systematic attempt to define economics in terms of the wage-system, and, at the same time, to suggest an alternative to it." The penetrating and sometimes startling acuteness of the definitions make vivid and alive a subject which conventional economists have too often obscured, not only by dullness, but also by intellectual servility to the assumptions of Capitalism. To such the volume is a welcome antidote.

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Authority, Liberty, and Function. By Ramiro de Maeztu. 4s. 6d.

The thesis of this book is that the basing of standards upon Authority for its own sake, or Liberty for its own sake, is both immoral and inhuman. The basis of any action is the perfection of the object involved. The outcome of the Authoritarian doctrine is revealed, politically, in Prussianism, and of the Liberal in anarchy. Applied to industry, the principle of "duties and rights according to function" is demonstrated in the Guilds, the *raison d'être* of which is to secure neither the "authority" of a privileged class nor the "personality" of the mere individual, but the interests of the Guild work.

Journals.

The *New Age.* Weekly, 6d. (38 Cursitor Street, London, E.C. 4.)

In the columns of this unique review the Guild idea was first formulated some half-dozen years ago, and has since been by many writers discussed and developed. It is here that all those interested in National Guilds will find both the evolution of Guild principles by exposition and controversy, and their application to current issues in editorial notes which, for vigour and insight, are unmatched in contemporary journalism.

The *Guildsman.* Monthly, 2d. (22 Glenview, Paisley.)

This periodical was founded by the Glasgow Group of the National Guilds League, and has been conducted and very largely written by them. Though at present only unofficially connected with the League, it forms a most valuable medium

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for the discussion and propaganda of its principles, and also for the treatment of its internal affairs.

The *Herald* (weekly, 1d.) contains a page of Trade Union notes compiled from the National Guilds standpoint; the *Church Socialist* (bi-monthly, 2d.) also editorially supports the National Guilds position.

PAMPHLETS, ETC.

1915. *National Guilds: An Appeal to Trade Unionists* . . . . . 2d.
1915. *A Catechism of National Guilds* . . 1d.
1916. *The Guild Idea: An Appeal to the Public* . 2d.
1916. *Towards a Miners' Guild* . . . 2d.
1917. *Towards a National Railway Guild* . 2d.
1917. *A Short Statement of the Principles and Objects of the National Guilds League* . 1d.
1917. *Observations on the Whitley Report* . . 2d.
1918. *Notes for Trade Unionists on the Whitley Report* . . . . . 2d.

All the above pamphlets are published by the National Guilds League, 17 Acacia Road, St. John's Wood, N.W. 8.

(While this book is in no sense an "official" production or put forward under the direct auspices of any organisation, we think our readers may be interested to have some account of the National Guilds League, which was founded in April, 1915, to work for the "abolition of the wage-system, and the establishment of self-government in industry through a system of National Guilds working in

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conjunction with the State." Its objects are two-fold: propaganda of Guild principles, and discussion of problems connected with the establishment of National Guilds. Since its foundation a very large number of meetings have been addressed by its speakers, and many thousands of its publications have been sold and distributed. The formation of groups has afforded opportunity for the discussion of questions among Guildsmen in concert, and has contributed materially to the development of the Guild idea. Its members meet annually in conference, when matters of policy are thoroughly debated in relation to the existing situation. There are branches of the League in London, Glasgow, Liverpool, Manchester, Newcastle, Leeds, Edinburgh, Leicester, and Kettering; in addition, the League has correspondents in various other centres.

The League cordially welcomes all those who sympathise with its principles and objects to join its ranks and share in its tasks. The annual subscription is 6s. Members receive copies of all League publications free.)

A BIBLIOGRAPHICAL NOTE TO CHAPTER V

FOR all those who desire seriously to study the proposals of National Guilds some grasp of the facts and problems of modern Trade Unionism is essential. Our chapter may serve as an introduction; but, in the hope that some of our readers without previous acquaintance with the subject may desire to carry further their study of it, we append a few particulars which may be of assistance. Those interested would do well also to consult the bibliographies in Mr. Cole's *The World of Labour*.

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GENERAL.

In addition to Mr. Cole's books, of which particulars are given elsewhere, the best existing introduction to the subject is *Trade Unionism*, by C. M. Lloyd (2s. 6d.), which gives an excellent general account of the position of the Trade Union movement, as it stood at the outbreak of War. However, a most useful volume by Mr. Cole, entitled *An Introduction to Trade Unionism*, is in the press and will form the most modern study of the movement. On all matters of fact and detail inquirers should consult the *Labour Year Book* for 1916 (2s.) and for 1918 (2s. 6d.), both volumes of which are equally indispensable, since each contains a mass of information not appearing in the other. No general study of the subject can be complete without at least a consultation of *Industrial Democracy*, by Sidney and Beatrice Webb (10s. 6d.); this very important volume is written, however, from a standpoint in sharp contrast to that from which the subject has been treated here.

HISTORICAL.

For this aspect of the subject, *The History of Trade Unionism*, by Sidney and Beatrice Webb (7s. 6d.), is indispensable. It does not carry the story down to our own day, and the last quarter of a century still remains in need of an adequate historian. An excellent contrast to the foregoing is a little book, written from the Industrial Unionist standpoint, *Outlines of the History of the Modern British Working-class Movement*, by W. W. Craik (6d.). An interesting account of the early struggles of Trade Unionists is to be found in *The Town Labourer*, 1760–1830, by J. L. and B. Hammond (10s. 6d.)

For the effect of the War on Trade Unionism, see the full account given in each volume of the *Labour Year Book*; also *Labour in War-time*, by G. D. H. Cole (2s. 6d.), for the events of the first year. There is a very interesting chapter on the subject by J. R. Taylor in *The Industrial Outlook* (3s. 6d.), pp. 125–152, which covers events down to the summer of 1916.

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WOMEN.

The best treatment of the subject will be found in *Women in Modern Industry*, by Beatrice L. Hutchins (4s. 6d.). A volume published by the Fabian Research Department on *Women in the Engineering Trades*, edited by Mrs. Bernard Drake (2s. 6d.), contains much interesting information on the effect of women's entry into the munition trades during the War, and includes proposals from various sources for the solution of the problems which their entry has raised.

PAMPHLETS.

The pamphlets relating to Trade Unionism are, of course, enormous in number and often both of interest and importance. A few of those recently issued have been mentioned in footnotes and discussed in the text of the present book. A list of the publications of the National Guilds League relating to Trade Unionism appears in the preceding bibliography.

There is a great need for reliable short studies of Trade Unionism in the various industries; the Fabian Research Department (which, be it noted, has no connection, except nominally, with the Fabian Society) has started to cope with this by the publication of *Trade Unionism on the Railways*, by G. D. H. Cole and R. Page Arnot (2s. 6d.). We may also mention a volume of a less descriptive and impartial kind, *Industrial Unionism in the Mining Industry*, by George Harvey (1s. 2d.), obtainable from its author at the Miners' Hall, Wardley Colliery, Pelaw-on-Tyne, Durham.

For all information about current Trade Union facts and problems, inquirers should consult the Fabian Research Department, 25 Tothill Street, S.W. 1, which also publishes a Monthly Circular for the use of its members, associates, and affiliated bodies.

A useful syllabus on *Trade Union Problems and Policy* (2d.) is published by the Yorkshire District of the Workers' Educational Association, 21 Brudenell Road, Hyde Park, Leeds.

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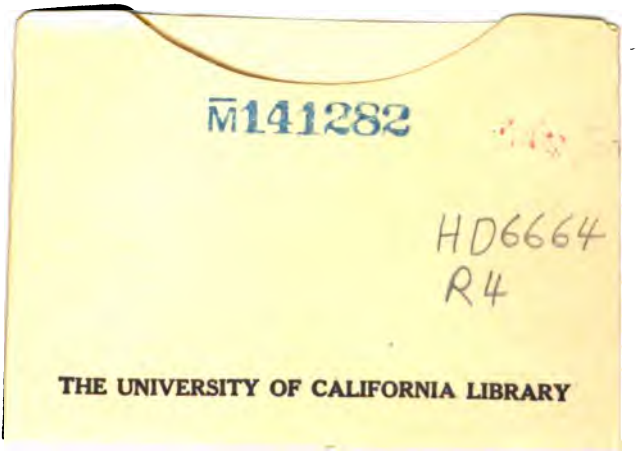
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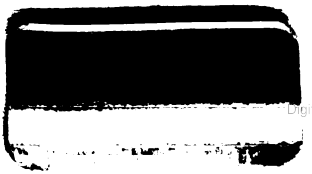

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